

# **SFI CERTIFICATION AUDIT FINAL REPORT**

*Sustainable Forestry Initiative® Standard  
2005-2009 Edition*



**for**

**Michigan DNR**

**December 2, 2005**

**NSF-ISR  
279 North Dixboro Road  
Ann Arbor, MI 48105  
888-NSF-9000  
[www.nsf-isr.org](http://www.nsf-isr.org)**

**Mike Ferrucci, Lead Auditor  
26 Commerce Drive  
North Branford, CT 06471  
Office & Mobile: 203-887-9248**



**NSF International Strategic Registrations, Ltd.**  
A subsidiary of NSF International

December 2, 2005

RE: Draft SFI Certification Audit Report

Dennis Nezich  
Michigan DNR  
PO Box 30452  
Lansing MI 48909-7952

Dear Mr. Nezich

It has been a pleasure working with you, the other members of the Forest Certification Implementation Team, and the managers and staff of the Michigan DNR in providing you with Sustainable Forestry Initiative® Standard certification services.

Congratulations, the Michigan State Forest System has successfully achieved certification to the SFI Standard, according to the auditing procedures of NSF-ISR.

This report is intended for use by your organization in understanding your conformance with the SFI Standard and for purposes of improving your SFI Program over time.

### **Overview and Program Description**

The SFI Certification Audit was performed on September 19 to 30, 2005 for your state forestlands throughout Michigan. The Lead Auditor was Michael Ferrucci. Members of the NSF-ISR audit team included Dr. Robert Hrubes, Dr. David Capen, and Jodi Kaiser. The audit team is fully qualified to conduct the SFI Certification Audit. Members of the audit team have worked in forestry and natural resources management, and have extensive knowledge of the SFI Standard and forest certification practices, with significant experience in the forest types and of the practices of the forest products industry in Michigan. Qualifications of audit team members are described in the Audit Plan (attached as Section A).

The Michigan DNR is responsible for the management of 3.9 million acres of state forest land located in northern Michigan. These lands are managed using an ecosystem

management approach<sup>1</sup> which is integrated across disciplines and at multiple spatial scales. The Fire, Minerals, and Forest Management Division (FMFM) and the Wildlife Division (WD) have co-management responsibilities, and thus are the lead agencies. They are supported in their work by the Fisheries Division, Law Enforcement Division, and OLAF Division. This multiple-divisional approach ensures the department can secure the talents of a wide variety of expertise, including specialists in forestry, fire prevention and control, minerals and mining, law enforcement, wildlife habitat management, wildlife biology, ecology, fisheries management, and many support services such as GIS, land records, engineering, and public relations, among others.

Primary responsibility for land management and daily administration is the responsibility of FMFM. The lands are divided administratively into fifteen Forest Management Units (FMUs), located across the northern lower peninsula and the entire upper peninsula, encompassing the entire state forest system. The Wildlife Division has a different set of administrative boundaries, with yet another set of (basin-derived) administrative boundaries employed by the Fisheries Division.

All land management functions are governed by a comprehensive set of policies and procedures, including a recently developed set of Work Instructions. These documents are summarized in the “Operational Management Guidance for State-Owned Forest Lands” which provides an overview of the land management approach. This document provides a good summary of the overall direction for management as follows:

“Part 525, Sustainable Forestry on State Forestlands, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, requires the Michigan Department of Natural Resources (DNR) to manage the State Forest in a manner that is consistent with the principles of sustainable forestry, and to prepare and implement a management plan that states long-term management objectives and the means of achieving these objectives. Part 525 also requires the DNR to seek and maintain a third party certification of the management of the State Forest that satisfies the sustainable forestry standards of at least one credible certification system.”

Michigan DNR sought forest certification to meet the above mandate, to respond to marketplace pressures for certified wood, and as a mechanism for modernizing its forest management planning and implementation. Significant staff resources and a sizeable budget were made available to ensure that the requirements of the two leading certification programs, the 2005-2009 Sustainable Forestry Initiative Standard® and the Forest Stewardship Council’s Lake States Regional Standard were achieved.

The process of preparing for certification, including development of new management processes to ensure that all of the requirements were met, resulted in a significant degree

---

<sup>1</sup> The ecosystem management approach adopted by the Michigan DNR is prescribed under Part 525, Statewide Forest Resources Plan, of the Natural Resources and Environmental Protection Act, 1994 PA 451.

of organizational change within the department. These changes appear to be widely supported by field staff, specialists, and managers. This positive spirit was essential to success, given the breadth and depth of the certification requirements as well as the need to continue to manage these lands for a wide array of goods and services while the certification project progressed.

The forestlands subject to certification are extensive and diverse. The primary forest types are aspen, jack pine, red pine, oak, and northern hardwoods, although numerous other types are present. Most stands have received some type of management treatment, with a minority not having been treated; some of these later stands are candidates for old growth or other reserve status. Aspen, white, red, and jack pine, oak, maple and associated hardwoods comprise the majority of the harvest. Most forest types and species are regenerated naturally, by root suckers in the case of aspen, or by advance regeneration or seed dropped after harvest. Notable exceptions are significant plantings of jack and red pine, although natural regeneration is occasionally utilized here. Limited restoration under-planting to hemlock and white pine occurs.

A variety of silvicultural treatments are used, including pre-commercial thinning (spacing), thinning, crop-tree management, selection system harvests, shelterwood, seed-tree, and clearcutting harvests, site preparation burns, underburns, furrowing, planting, and herbicide application. When needed for pest management reasons sanitation and salvage harvests are employed, as is the application of pesticides. All silvicultural treatments are planned as part of normal compartment-level planning, with written prescriptions, harvest treatment proposals, or forest treatment proposals (FTP's).

The Wildlife Division employs an array of cultural techniques to diversify habitat, including water impoundments (flooding areas), food plots, open grassy areas, and maintenance of barrens and other fire-dependent communities. Extensive hunting and fishing opportunities exist, and wildlife and fisheries conduct an impressive array of specialized species management programs that may include stocking, population monitoring, manipulation of harvest levels, and public information and education projects.

The DNR maintains a vast network of hiking, walking, cross-county skiing, horseback riding, ORV, and snowmobile trails, boat launches, picnic areas, and campgrounds. These are staffed by full-time and seasonal personnel. Many recreation duties are assigned to the fire officers and technicians, subject to their availability. Some fire officers are trained and empowered as forest officers, with limited enforcement power. Most law enforcement duties are carried out by Conservation Officers, who are fully-empowered law officers. Both fire staff and Conservation Officers have responsibilities on private and public lands beyond the borders of the state forest system.

Most operational forest management activities are conducted under a compartment-based inventory, planning, and operations system. All Forest Management Units are divided into compartments that are typically 1,000 to 3,000 acres in size. These compartments are all assigned a "Year of Entry" from 0 to 9 that corresponds to a year within the decade.

The total number of acres for each YOE compartment within each FMU is roughly balanced across years-of-entry, with some attempt to achieve cover type and age-class acres as well. The stands within a given YOE are inventoried, plans are developed, and then implemented as a group. For example, for YOE 2005 compartments, inventory and planning work started in 2003, sale preparation in 2005, and most harvest or treatment activity from 2005 through 2008. Thus the designated YOE corresponds to the fiscal year during which the bulk of the timber sales are made available, although some harvests and many follow-up treatments will occur two to four years after the YOE.

The Michigan DNR utilizes a detailed system of record keeping and inventory protocols titled Operations Inventory (OI). For each stand there are many coded fields for conditions, land classification, and expected treatments. This information is entered into a state-wide searchable database. Other information about compartment-level management needs (roads, boundary work) and conditions is contained in compartment-level data sheets. A new, more comprehensive inventory, mapping, and land planning tool called Integrated Forest Monitoring, Assessment, and Prescription (IFMAP) is being gradually implemented across the entire system.

OI and IFMAP form the key information base for the development of compartment plans, which are aggregated to the FMU level. There are many guidance documents and resource plans, generally developed at larger spatial scales, which are used to guide decision-making at stand and compartment levels. The system has proven to be efficient and comprehensive, with every stand having been reviewed by foresters and biologists every ten years over the past two to three decades. An emerging challenge has been the desire to employ landscape-scale approaches to complement and guide stand and compartment-level planning and decisions.

### **NSF-ISR SFI Audit Process and Reporting**

The NSF-ISR Audit Report consists of all documents used in the audit process, including the Readiness Review, the Audit Plan, and the Certification Audit. The findings of the Readiness Review Report and the Document Review were provided previously. The Audit Plan is included here as Section A (with various Attachments).

The NSF-ISR SFI Certification Audit Process began with a five-day Gap Analysis / Baseline Audit conducted October 24-29, 2004 starting in your offices in Lansing and then continuing with field site visits in the following locations:

Tuesday October 26, 2004: Roscommon Operations Service Center, Roscommon Unit Office, Roscommon Forest Management Unit, Grayling Forest Management Unit

Wednesday October 27, 2004: Gladwin Forest Management Unit, Traverse City Forest Management Unit, Gaylord Forest Management Unit

Thursday October 28, 2004: Shingleton Forest Management Unit, Eastern UP District Office, Newberry, Escanaba Forest Management Unit, Crystal Falls Forest Management Unit

Friday October 29, 2004: Marquette Service Center

This preliminary review of Michigan DNR programs, policies, and practices identified a number of gaps that had to be remedied before proceeding to a full certification review against the 2005-2009 Sustainable Forestry Initiative Standard®. A detailed report was provided. To summarize, the gaps fell into several broad categories:

- Planning Issues
- Best Management Practices
- Biodiversity Issues
- Training Systems
- SIC and other SFI-tasks
- Management Review

Over the next 10 months, Michigan DNR's Forest Certification Implementation Team, working with support from BioForest Technologies Inc., a consulting firm, addressed these gaps and other issues identified through extensive internal audits. The department underwent significant change as part of its preparation for the full certification reviews. Central to these changes were the adoption of numerous Work Instructions, a new type of internal guidance document designed to standardize practices and to ensure that all of the certification requirements (including SFI and FSC) were assigned and implemented.

A formal readiness review was conducted to develop an audit plan, identify the scope of your operations and which SFI Performance Measures and Indicators apply, and determine whether your SFI Program was sufficiently documented to proceed with the certification audit. The NSF-ISR Lead Auditor determined that the Michigan DNR was well prepared, had filled the identified gaps so as to field a fully developed SFI Program, and was ready for the independent SFI Certification Audit from September 19 through 30, 2005. The findings were provided to you in a Readiness Review Report and Audit Plan dated August 16, 2005.

The actual NSF-ISR SFI Certification Audit was governed by a detailed Audit Plan that was prepared specifically for your SFI Audit (Section A, Appendix 5). The Audit Plan was focused on helping the audit team determine whether there were any deficiencies and inconsistencies between your SFI Program and the SFIS requirements that apply to your organization.

As described in the Audit Plan, the objective of the audit was to assess conformance of the Michigan DNR's SFI Program to the requirements of the Sustainable Forestry Initiative® Standard, 2005-2009 Edition.

The possible findings of the audit included Full Conformance, Major Non-conformance, Minor Non-conformance, Opportunities for Improvement, and Practices that exceeded the Basic Requirements of the SFIS. The detailed spreadsheets addressing the above findings are contained in the SFI Certification Audit Matrix (Section B). Six non-conformances were fully documented and reported using the NSF-ISR Corrective Action Request forms (Section C).

NSF-ISR conducted an audit of the written documentation that the Michigan DNR assembled to provide objective evidence of SFIS Conformance. NSF-ISR also selected field sites for inspection based upon the risk of environmental impact, likelihood of occurrence, special features, and other criteria outlined in the NSF-ISR SFI-SOP. NSF-ISR also selected contract loggers, landowners and employees within your organization to interview to confirm that the SFI Standard was understood and actively implemented.

NSF requires all auditors to adhere to strict agreements regarding confidentiality and prohibiting consulting during audits (Section D). Attendance Sheets for the Opening and Closing Meetings of the Certification Audit are attached in Section E. The names of those internal and external personnel interviewed during the SFI Certification Audit are contained in the SFI Certification Audit Matrix.

### **Scope of Audit**

The scope of the SFIS Audit, to appear on the certificate, is as follows: “Land management on 3.9 million acres of Michigan State Forests (excluding military lease lands), and related sustainable forestry activities under the 2005-2009 Sustainable Forestry Initiative Standard ®”.

Objective 8 and its underlying Performance Measures and Indicators were determined to be not applicable to your SFI program and were excluded from the scope of the SFI Certification Audit. These were summarized in the Readiness Review Report (Document Review Summary) and are indicated in the Audit Matrix (Section B). Otherwise, no indicators were substituted or modified.

Forest practices that were the focus of field inspections were timber harvests within 2003 and 2004 Year of Entry (YOE) compartments, which are the most likely to have been under active management over the past two years. In addition practices conducted earlier were also reviewed as appropriate (regeneration and BMP issues, for example). Further, planning activities from the 2005, 2006, and 2007 YOE were also included, so as to include a review of the progress made in implementing the new DNR Work Instructions.

### **Overview of Audit Findings**

Your SFI Program has achieved recommendation of conformance with the 2005-2009 Sustainable Forestry Initiative Standard®. No major non-conformances were identified during the audit. Six minor non-conformances were identified as part of the NSF-ISR SFI Certification Audit Process (Section C). These minor non-conformances are documented in the SFI Certification Audit Matrix and the Corrective Action Request forms. The DNR should submit Correction Action Plans within the 30-day allotted time period after the closing meeting to complete corrective action plans for the minor non-conformances. The lead auditor has approved those Corrective Action Plans. As part of the first surveillance audit tentatively scheduled for February, 2006 the Lead Auditor will also determine whether the plans have been implemented and the Minor Non-conformances have been closed.

NSF-ISR also identified a number of Opportunities for Improvement (OFI) of your SFI Program. These are documented in the SFI Certification Audit Matrix. These findings do not indicate a current deficiency, but serve to alert your organization to areas that need future attention, which can be one focus of continual improvement efforts. These Opportunities for Improvement will also be reviewed during the surveillance audits over the five-year SFI implementation and improvement period.

The OFIs are listed below, keyed to the relevant indicator:

1.1.1 There is an opportunity to improve the training in and effective use of the Kotar system by field foresters in making silvicultural decisions.

1.1.3 There is an opportunity to improve understanding of current age-class structure in northern hardwood stands, allowing field foresters to more carefully adjust prescriptions (number, size, and distribution of canopy gaps).

1.1.3 There is an opportunity to improve the level of detail in the stand comments field of Operations Inventory (OI).

2.1.4 There is an opportunity to improve protection of regeneration. In many cases desired protection of natural regeneration does not appear in logging contracts and thus is subject to verbal agreement and logger goodwill. There may be an opportunity to address high densities of deer in portions of the state before the impact of browsing on the forest understory becomes more severe.

2.1.5 There is an opportunity to improve implementation of planned strategic planning, including long-term & large-scale factors, to enable enhanced assessment of impacts and opportunities for management of composition.

2.3.2 Decisions regarding the time of year for harvest are not always made explicit (recorded).

2.3.4 There is an opportunity to better understand implications of logging impacts on soils in mechanically harvested northern hardwood stands, and for greater attention to minimizing skid trails on some sites (some forest types here require ground scarification to facilitate the germination of tree seedlings). For example, for some combinations of equipment, harvest prescription, and soil type the use of skid trails in any one location should be minimized, suggesting maximum scattering of skid trails.

3.1.4 There is an opportunity to improve the compilation of the BMP Non-Conformance Reporting at the district and Lansing level.

4.1.1 There is an opportunity to improve the process for developing recommendations for habitat management in the compartment review process, for example by facilitating more training and communication among biologists throughout the state.

4.1.6 There is an opportunity to improve regarding timely appointment of Regional Biodiversity Conservation Planning teams so progress is made on designating areas comprising a network of areas managed to conserve old-growth forests and unique communities.



4.1.7 There is an opportunity to improve training for land managers in FMFM and the Wildlife Division in identification of invasive plants, vectors for translocating such plants, and methods for control.

4.1.8 There is an opportunity to improve staffing to conduct controlled fires prescribed by management plans for species such as red pine and to restore some semblance of the landscape disturbances historically attributed to wildfires.

9.2.1 BMP Monitoring at the state level has not recently been updated or implemented

12.4.1 Improved mechanisms for consultations with tribes at the FMU and State-wide levels should be considered.

NSF-ISR also identified a number of forest practices and operations that exceed the basic requirements of the SFI Standard. These practices are documented in the SFI Certification Audit Matrix and summarized below, with the relevant requirement listed below in parenthesis:

#### Sustainable harvest levels

Sustainable harvest levels are conservative, and can clearly be sustained.

(1.1 Program Participants shall ensure that long-term harvest levels are sustainable and consistent with appropriate growth & yield models and written plans.)

#### Minimized use of exotic species

No exotic species are planted.

(2.1.3 Minimized plantings of exotic tree species and research documentation that exotic tree species, planted operationally, pose minimal risk.)

#### Forest health and protection, use of IPM

Michigan DNR programs in forest health and protection are exemplary examples of Integrated Pest Management.

(2.2.4 Use of Integrated Pest Management where feasible.)

(2.4 Program Participants shall manage so as to protect forests from damaging agents such as environmentally or economically undesirable wildfire, pests and diseases to maintain and improve long-term forest health, productivity and economic viability.)

#### Protection of rare, threatened, or endangered species

A significant array of measures to protect rare, threatened, or endangered species was demonstrated.

(4.1.2 Program to protect threatened and endangered species.)

(4.1.3 Plans to locate and protect known sites associated with viable occurrences of critically imperiled and imperiled species and communities. Plans for protection may be developed independently or collaboratively and may include Program Participant management, cooperation with other stakeholders, or use of easements, conservation land sales, exchanges, or other conservation strategies)

#### Biodiversity protections

Biodiversity protections are robust and well-designed.

(4.2.2 A methodology to incorporate research results and field applications of biodiversity and ecosystem research into forest management decisions.)

#### Clearcut size

Clearcut size is far lower than the 120-acre maximum average.

(5.2.1 Average size of clearcut harvest areas does not exceed 120 acres, except when necessary to respond to forest health emergencies or other natural catastrophes or in the management of Kirtlands Warbler.)

#### Utilization

Utilization and marketing of forest products is a clear program strength relative to the SFI Standard.

(7.1 Program Participants shall employ appropriate forest harvesting technology and “in-woods” manufacturing processes and practices to minimize waste and ensure efficient utilization of harvested trees, where consistent with other SFI Standard objectives.)

#### Education and training of DNR Personnel; assignment of certification roles

Education and training of DNR Personnel and their understanding of their roles in the certification process are among the best the audit team has encountered.

(10.1.2 Assignment and understanding of roles and responsibilities for achieving SFI Standard objectives.)

(10.1.3 Staff education and training sufficient to their roles and responsibilities.)

#### Public Recreation

Public Recreation opportunities are high-quality, diverse, and widely available.

(12.2.4 Recreation opportunities for the public, where consistent with forest management objectives.)

The Michigan DNR is to be commended for performance above and beyond the basic requirements of the SFIS in the areas specified.

#### **Completion of Certification Process**

The attached Draft SFI Audit Summary (Section F) is intended for public disclosure. The Sustainable Forestry Initiative® Audit Procedures and Qualifications (SFI APQ) 2005–2009 Edition require you to provide the Audit Summary to the Sustainable Forestry Board two weeks prior to making any public claims regarding successful independent certification of conformance with the SFI Standard. This summary will be posted on the SFB website and available for public review. The lead auditor will work with the DNR to ensure the Public Report accurately and fairly represents the findings of the Final Report, consistent with SFI requirements.

Once the Corrective Action Plans (CAPs) are approved, NSF-ISR will issue a formal Certificate of Conformance to the SFI Standard. The Certificate includes the NSF-ISR Logo, the client’s name, the standard certified to, the date of the certification, and signatures of responsible authorities.

Follow-up or Surveillance Audits are required by the 2005-2009 Sustainable Forestry Initiative Standard ®. The initial Surveillance Audit is tentatively scheduled for March, 2006. This initial visit is intended to supplement the standard (and contracted) first-year surveillance scheduled for the fall of 2006. As discussed during the closing meeting, it is necessary in part because many of the Michigan DNR's SFI-related activities were implemented quite recently. The assigned lead auditor will contact you 2 months prior to the scheduled date of all Surveillance Audits to reconfirm and begin preparations.

NSF-ISR would like to express its sincere appreciation for the active support and participation of your staff in the independent SFI Certification Audit Process. We look forward to working with you during the scheduled surveillance audits and the five-year re-audit process to further improve your SFI Program.

If we may be of further assistance, or answer any of your questions regarding any aspect of the NSF-ISR SFI Certification Audit Process, please feel free to give me a call.

Sincerely,

Mike Ferrucci, Lead Auditor  
26 Commerce Drive  
North Branford, CT 06471  
Office & Mobile: 203-887-9248  
Fax: 203-488-2969  
[mferrucci@iforest.com](mailto:mferrucci@iforest.com)

Cc: Audit Team Members, Petie Davis, NSF-ISR

**Certification Report Sections:**

Section A Readiness Review Report and Tentative Audit Plan  
Section B SFI Certification Audit Matrix  
Section C Corrective Action Request (CAR) Forms  
Section D Agreements to Not Disclose and to Not Consult  
Section E Attendance Sheets for the Opening and Closing Meetings  
Section F SFI Audit Summary for Public Disclosure

# **Readiness Review Report and Tentative Audit Plan**

**SUSTAINABLE FORESTRY INITIATIVE® STANDARD**

Michigan DNR  
FRS 5Y031  
August 16, 2005



NSF International Strategic Registrations, Ltd.

789 N. Dixboro Road

Ann Arbor, Michigan

<http://www.nsf-isr.org>

Michael Ferrucci, Lead Auditor

[mferrucci@iforest.com](mailto:mferrucci@iforest.com)



## Section A: Readiness Review Report and Tentative Audit Plan

### F. Proprietary Issues:

**Are there any proprietary issues?** (e.g., restricted access to areas of the site; restricted access to information such as attorney-client privileged compliance documents, etc.) ☐ Yes ☒ No  
(check one box; If Yes, please explain:)

### G. Readiness Review Summary :

The SFIS Readiness Review (RR) visit was performed at the organization's Lansing office, supplemented by conference calls during August, 2005. Participants are documented in Attachment 3. The primary objectives of the review were to define the audit scope, define audit criteria, determine if the Program Participant is ready to continue with the NSF-ISR SFIS Certification process, and develop an audit plan.

#### 1. During the RR visit the Lead Auditor reviewed the following items with the Program Participant's management representative(s): (check all that apply)

- ☒ NSF SFI Procedures ☐ The SFIS Certification Audit Matrix
- ☒ Safety Awareness Issues ☒ Population of Field Sites for Inspection
- ☐ Provided Corrective Action Requests ☐ Identified Interviewees
- ☒ The Composition of the Audit Team and the need for any Special Expertise
- ☒ Reviewed the Program Participant's SFI Program and supporting documentation
- ☒ Drafted the Audit Plan ☒ Completed the Audit Plan

#### 2. The review conducted by the Lead Auditor confirms the following items: (check all that apply)

- ☐ Program Participant has customized indicators for the SFI Standard? (If yes, attach SFIS indicators documents to the SFIS Audit Plan.)
- ☒ The Program Participant has sufficient documentation of SFIS Conformance to proceed with the Audit.
- ☒ The Program Participant's SFI Program appears to address each of the SFIS Performance Measures and Indicators that apply, including written policies as required.
- ☒ The Program Participant has notified the Sustainable Forestry Board that it is initiating independent certification.
- ☐ At least one BMP Monitoring and Management Review cycle has been completed.
- ☐ Other: \_\_\_\_

Comments: BMP Monitoring and Management Review are in progress, with a reasonable schedule to complete these prior to scheduled field audit.

**H. Agreement Not to Disclose and Consult:**

All findings and reports generated as a result of the RR visit are confidential and governed by the provisions for confidentiality, which are described in the NSF-ISR Policies for Confidentiality and summarized on the Agreement to Not Disclose and to Not Consult (Attachment 2).

**Appendices:**

- 1) Readiness Review Summary Sheet
- 2) Agreement(s) to Not Disclose and to Not Consult
- 3) Opening and Closing Meeting Attendance Sheet
- 4) Corrective Action Requests (CARs) – example of form used
- 5) Tentative SFI Audit Plan

**APPENDIX 1**  
**NSF-ISR SFI Readiness Review Summary Sheet**  
**2005-2009 Sustainable Forestry Initiative Standard ®**

**Reviewed by:** Mike Ferrucci      **Date of Review:** August 16, 2005 (completed)

**Program Participant Name and Location:** Michigan DNR, PO Box 30452, Lansing MI 48909-7952

Clause	Performance Measure Description	Indicators Which Do Not Apply	Documents Are Complete	Documents Are <u>Not</u> Complete
Objectives 1 to 7	<b>Requirements for Land Management</b>			
1.1	Sustainable Long-Term Harvest Levels		X	
2.1	Reforestation		X	
2.2	Minimize Use of Chemicals		X	
2.3	Forest & Soil Productivity		X	
2.4	Forest Protection		X	
3.1	Best Management Practices		X	
3.2	Riparian Protection Measures		X	
4.1	Conservation of Native Biodiversity		X	
4.2	Application of Research & Science		X	
5.1	Visual Quality of Harvests		X	
5.2	Clear-cut Size, Shape, Placement		X	
5.3	“Green Up” or Alternative Methods		X	
6.1	Identification & Management of Special Sites		X	
7.1	Efficient Utilization		X	
Objective 8	<b>Requirements for Procurement</b>	NA		



## Section A: Readiness Review Report and Tentative Audit Plan

Clause	Performance Measure Description	Indicators Which Do Not Apply	Documents Are Complete	Documents Are <u>Not</u> Complete
	<b>Requirements for All Program Participants (unless out of scope)</b>			
Objective 9	<b>Requirements for Research, Science, &amp; Technology</b>			
9.1	Funding for Research		X	
9.2	Analysis of Regeneration, Cut/Drain, BMP Implementation, & Biodiversity Information		X	
Objective 10	<b>Requirements for Training and Education</b>			
10.1	Training of Contractors and Personnel		X	
10.2	Improved Wood Producer Professionalism		X	
Objective 11	<b>Requirements for Legal &amp; Regulatory Compliance</b>			
11.1	Forestry Law/Reg. Compliance System		X	
11.2	Social Law Compliance		X	
Objective 12	<b>Requirements for Public &amp; Landowner Involvement</b>			
12.1	Cooperative Efforts for Sustainable Forestry		X	
12.2	Outreach, Education, Involvement		X	
12.3	Public Lands Planning Involvement		X	
12.4	Public Lands Conferring with Native Peoples		X	
12.5	Inconsistent Practices or Concerns		X	
12.6	Annual Reporting		X	
Objective 13	<b>Requirements for Management Review and Continual Improvement</b>			
13.1	Management Review System		X	

**APPENDIX 2**

**Agreement(s) Not to Disclose and Not Consult**

## Section A: Readiness Review Report and Tentative Audit Plan

### AGREEMENT TO NOT DISCLOSE AND TO NOT CONSULT



**IN CONSIDERATION** of my appointment to represent NSF International Strategic Registrations, Ltd. (NSF-ISR) and conduct management systems audits of the documentation, operations, and facilities of:

Michigan DNR, PO Box 30452, Lansing MI 48909-7952

(hereinafter called "NSF-ISR's Client") for registration by NSF-ISR, I agree as follows:

1. I will not at any time during or subsequent to this agreement disclose or use in any way any information or knowledge or data I receive or develop while providing service for NSF-ISR, including but not limited to, plans, lists, prospects lists, and trade secrets of NSF-ISR or its client.
2. While representing NSF-ISR, I may have access to confidential business information from NSF-ISR's client and others, and may be authorized to handle this information in the performance of my responsibilities. I can assume that this is proprietary information to the client or parties supplying it, and agree it may not be revealed by me to others outside NSF-ISR. I agree to maintain this information in a secure manner that prevents any accidental disclosure. Unauthorized disclosure or handling of confidential business information may result in disciplinary action, including but not limited to cancellation of my appointment to represent NSF-ISR. Should my authorization to handle confidential information be revoked while I am appointed to represent NSF-ISR, or as a result of cancellation of my appointment to represent NSF-ISR, I understand that my obligation not to reveal confidential business information will still be in force.
3. Upon cancellation of my appointment to represent NSF-ISR for any reason, I agree to promptly deliver to NSF-ISR all physical property, plans, designs, computer programs, computer lists, prospect lists, records, letters, notes, reports, and all other materials relating to NSF-ISR or its client in my possession or under my control.
4. I hereby attest that I have not provided consultation or other services related to the SFI program or management system to NSF-ISR's client for at least two years, and to preclude any actual or perceived conflict of interest, I agree to not enter into any agreement, provide consultation or other services to NSF-ISR's client (for whom I participated in any audit) except for services under this agreement, for a period of two years after completion of services under this agreement. Certification or auditing under a recognized standard is not subject to the above prohibitions.
5. I shall not participate in an appraisal or advise a potential purchaser or broker a purchase of property audited within the prior three years without the written permission of the audited party. I shall notify the audited party of participation in such activities after the three-year period immediately upon initiation of such activities for a period of at least 10 years following the audit. I shall disclose to the party requesting this audit any prior land appraisal or assessment work or land brokerage activity I or my employers has conducted related to the property to be audited.

---

Michael Ferrucci, August 16, 2005  
(signed copy on file at NSF-ISR)

### APPENDIX 3

## Opening and Closing Attendance Sheets

Michigan DNR, PO Box 30452, Lansing MI 48909-7952

OPENING MEETING DATE: NA \*

CLOSING MEETING DATE: 08.04.05

NAME	TITLE/POSITION	OPENING MEETING	CLOSING MEETING
1. Michael Ferrucci	NSF SFI Lead Auditor	X	X
2. Robert Hrubes	SCS FSC Lead Auditor	X	X
3. Dennis Nezich	Certification Specialist	X	X
4. Larry Pederson	Forest Planning & Operations Unit Manager	p	X
5. Mike Paluda	UP Field Coordinator , Acting EUP District Sup.	p	X
6. Jim Ferris	Timber Management Specialist, FMFM	p	X
7. Kim Herman	Monitoring Specialist, FMFM	p	X
8. Ronald Murray	Forest Health, Inventory & Monitoring Unit Mgr.	p	X
9. Penney Melchoir	Acting Assistant Chief, Wildlife Division	p	X
10. Cara Boucher	Forest Resource Mgmt Section Manager	p	X

**\* Note: Readiness Review included Gap Analysis (on-site) October, 2004 and various phone calls in July and August of 2005. Tasks of formal opening meeting spanned multiple dates.**

**p denotes participated in main planning session, although not opening discussions in July.**

**APPENDIX 4**

**Corrective Action Requests (CARs)**

None issued during Readiness Review.

**APPENDIX 5**

# **SFIS Certification Audit Plan**

**Sustainable Forestry Initiative® Standard  
2005-2009 Edition**



**for  
Michigan DNR  
PO Box 30452  
Lansing MI 48909-7952**

**August 16, 2005**

**NSF International Strategic Registrations, Ltd.**

789 N. Dixboro Road  
Ann Arbor, Michigan  
<http://www.nsf-isr.org>  
888-NSF-9000

Michael Ferrucci, Lead Auditor  
[mferrucci@iforest.com](mailto:mferrucci@iforest.com)

## **Introduction**

The Michigan DNR is seeking independent certification that its SFI Program conforms to the requirements of the Sustainable Forestry Initiative® (SFI) Standard, 2005-2009 Edition. An audit team assembled by NSF-ISR will make a determination of conformance according to the Sustainable Forestry Initiative® Audit Procedures and Qualifications (SFI APQ) 2005–2009 Edition. This Audit Plan describes the conduct of the NSF-ISR SFIS Certification Audit.

Additional details about how NSF-ISR's SFIS Certification Audits are conducted are contained in the NSF-ISR SFIS Certification Process Standard Operating Procedure (AA-971-0003), which is consistent with the SFI® requirements. Audits for the Sustainable Forestry Initiative Standard® (SFI) are also conducted in accordance with the principles of auditing contained in the International Organization for Standardization (ISO) 19011:2002 guidelines for quality and/or environmental management systems auditing.

## **SFIS Certification Scope and Objective**

The SFIS Certification Audit will apply to the Michigan DNR's SFI Program implementation throughout Michigan, including its timberland management and other related activities that are covered by the SFI Standard. The SFIS Performance Measures that are included in and excluded from the scope of the SFIS Certification Audit are outlined in Appendix 1.

As specified in the SFI® Standard 2005-2009, the NSF-ISR SFIS Certification Audit objective is to establish whether the Michigan DNR's SFI program is in conformance with the SFIS Objectives, Performance Measures, and Indicators as well as any additional self-imposed requirements .

## **Certification Criteria and Methods**

The verification indicators to be used are the 2005-2009 Sustainable Forestry Initiative Standard ® Indicators (unmodified) and were approved as the criteria to be used to conduct the SFIS Certification Audit in consultation between the Michigan DNR and the Lead Auditor during the Readiness Review. Determination of conformance to the SFI Standard will be based solely on these requirements. Findings will be based upon the literal language of the SFIS Objectives, Performance Measures and Indicators - the NSF-ISR Audit Team will not add additional requirements that are not specified in the SFI Standard. Audit procedures and auditor qualifications shall be consistent with Sustainable Forestry Initiative® Audit Procedures and Qualifications (SFI APQ) 2005–2009 Edition as elaborated by NSF-ISR's Standard Operating Procedures (available upon request).

## **Roles and Responsibilities**

The Michigan DNR's management representative with respect to this SFIS Certification Audit will be Dennis Nezich or his clearly designated representative. Other members of the Michigan DNR's Forest Certification Implementation Team that will be involved in the SFIS Certification Audit Process are listed below:

## Section A: Readiness Review Report and Tentative Audit Plan

Debbie Begalle, West U.P. District Supervisor  
Forest, Mineral & Fire Management Division  
Michigan Department of Natural Resources  
Marquette Operations Service Center  
1990 US 41 S.  
Marquette, MI 49855  
Phone: 906-226-1327 (direct), 906-228-6561  
Fax: 906-228-5245  
Email: [Debbieg@Michigan.gov](mailto:Debbieg@Michigan.gov)

Cara Boucher, Forest Resource Management  
Section Leader  
Forest Mineral & Fire Management Division  
Michigan Department of Natural Resources  
P.O. Box 30452  
Lansing, MI 48909-7952  
Phone: 517-335-3354  
Fax: 517-373-2443  
Email: [Boucherc@Michigan.gov](mailto:Boucherc@Michigan.gov)

Mike Donovan, Resource Specialist  
Wildlife Division  
Michigan Department of Natural Resources  
PO Box 30444  
Lansing, MI. 48909-7944  
Phone: 517-373-7027  
Fax: 517-241-1370  
Email: [Donovanm@Michigan.gov](mailto:Donovanm@Michigan.gov)

Lisa Dygert, Department Analyst  
Forest Mineral & Fire Management Division  
Michigan Department of Natural Resources  
PO Box 30452  
Lansing, MI. 48909-7952  
Phone: 517-241-3853  
Fax: 517-373-2443  
Email: [Dygerl@Michigan.gov](mailto:Dygerl@Michigan.gov)

Jim Ferris, Timber Management Specialist  
Forest Mineral & Fire Management Division  
Michigan Department of Natural Resources  
Marquette Operations Service Center  
1990 US 41 S.  
Marquette, MI 49855  
Phone: 906-226-1302 (direct), 906-228-6561  
Fax: 906-228-5245  
Email: [Ferrisj@Michigan.gov](mailto:Ferrisj@Michigan.gov)

Kerry Fitzpatrick, Habitat Specialist  
Wildlife Division  
Michigan Department of Natural Resources  
PO Box 30452  
Lansing, MI. 48909-7952  
Phone: 517-373-9516  
Fax: 517-373-6075  
Email: [Fitzpak@Michigan.gov](mailto:Fitzpak@Michigan.gov)

Kim D. Herman, Monitoring Specialist  
Forest Mineral & Fire Management Division  
Michigan Department of Natural Resources  
Marquette Operations Service Center  
1990 US-41 South  
Marquette, MI 49855  
Phone: 906-228-6561  
Fax: 906-228-5245  
Email: [Hermank@Michigan.gov](mailto:Hermank@Michigan.gov)

Debra Huff, Forest Stewardship Coordinator  
Forest Mineral & Fire Management Division  
Michigan Department of Natural Resources  
PO Box 30452  
Lansing, MI. 48909-7952  
Phone: 517-335-3355  
Fax: 517-373-2443  
Email: [Huffd@Michigan.gov](mailto:Huffd@Michigan.gov)

Keith Kintigh, Wildlife Ecologist  
Wildlife Division  
Michigan Department of Natural Resources  
Gaylord Operations Service Center  
1732 W. M32  
Gaylord, MI 49735  
Phone: 989-732-3541  
Fax: 989-732-0794  
Email: [Kintighk@Michigan.gov](mailto:Kintighk@Michigan.gov)

Penney Melchoir  
Acting Assistant Chief, Wildlife Division  
Michigan Department of Natural Resources  
PO Box 30444  
Lansing, MI. 48909-7944  
Phone: 517-373-1263  
Fax: 517-373-6705  
Email: [Melchoip@Michigan.gov](mailto:Melchoip@Michigan.gov)

Bob Moody, Eastern Lake Superior Unit  
Manager  
Fisheries Division  
Michigan Department of Natural Resources  
Newberry Operations Service Center  
5100 M123  
Newberry, MI 49868  
Phone: 906-293-5131  
Fax: 906-293-8728  
Email: [Moodyr@Michigan.gov](mailto:Moodyr@Michigan.gov)

Ronald L. Murray  
Forest Health, Inventory, & Monitoring Unit  
Manager  
Forest Mineral & Fire Management Division  
Michigan Department of Natural Resources  
PO Box 30452  
Lansing, MI. 48909-7952  
Phone: 517-335-3353  
Fax: 517-373-2443  
Email: [Murrayr@Michigan.gov](mailto:Murrayr@Michigan.gov)

Dennis Nezich, Forest Certification Specialist  
Forest Mineral & Fire Management Division  
Michigan Department of Natural Resources  
Marquette Operations Service Center  
1990 US-41 South  
Marquette, MI 49855  
Phone: 906-226-3051 (direct), 906-228-6561  
Fax: 906-228-5245  
Email: [Nezichd@Michigan.gov](mailto:Nezichd@Michigan.gov)

Michael Paluda, U.P. Field Coordinator  
Forest Mineral & Fire Management Division  
Michigan Department of Natural Resources  
Marquette Operations Service Center  
1990 US 41 S.  
Marquette, MI 49855  
Phone: 906-226-1323 (direct), 906-228-6561  
Fax: 906-228-5245  
Email: [Paludam@Michigan.gov](mailto:Paludam@Michigan.gov)

Larry Pedersen, Forest Planning & Operations  
Unit Manager  
Forest Mineral & Fire Management Division  
Michigan Department of Natural Resources  
P.O. Box 30452  
Lansing, MI 48909-7952  
Phone: 517-335-3330  
Fax: 517-373-2443  
Email: [Pedersel@Michigan.gov](mailto:Pedersel@Michigan.gov)

David Price, Resource Analyst  
Forest Mineral & Fire Management Division  
Michigan Department of Natural Resources  
PO Box 30452  
Lansing, MI. 48909-7952  
Phone: 517-241-9051  
Fax: 517-373-2443  
Email: [Priced@Michigan.gov](mailto:Priced@Michigan.gov)

Patrick Ruppen, Forester  
Forest Mineral & Fire Management Division  
Traverse City Management Unit  
Michigan Department of Natural Resources  
970 Emerson  
Traverse City 49686  
Phone: 231-922-5280 ex. 6843  
Fax: 231-933-1853  
Email: [RuppenP@Michigan.gov](mailto:RuppenP@Michigan.gov)

Judy Salbert, Secretary  
Forest Mineral & Fire Management Division  
Michigan Department of Natural Resources  
5100 State Highway M-123  
Newberry MI 49868  
Phone: 906-293-5131  
Fax: 906-293-8728  
Email: [Salbertj@Michigan.gov](mailto:Salbertj@Michigan.gov)

Steve Scott, Lake Superior Basin Coordinator  
Fisheries Division  
Michigan Department of Natural Resources  
5100 State Highway M-123  
Newberry, MI 49868-0077  
Phone: 906-293-5131  
Fax: 906-293-8728  
Email: [Scottsj@Michigan.gov](mailto:Scottsj@Michigan.gov)

Jeff Stampfly, Unit Manager  
Shingleton Forest Management Unit  
Forest Mineral & Fire Management Division  
Michigan Department of Natural Resources  
PO Box 67, M-28  
Shingleton, MI 49884  
Phone: 906-452-6227  
Fax 906-452-6584  
Email: [Stampfli@Michigan.gov](mailto:Stampfli@Michigan.gov)

Richard Stevenson, Eastern UP Service  
Forester  
Forest Mineral & Fire Management Division  
Michigan Department of Natural Resources  
Newberry Operations Service Center  
5100 State Highway M-123  
Newberry, MI 49868-0077  
Phone: 906-293-5131; 906-293-5669  
Fax: 906-293-8728  
Email: [Stevenrd@Michigan.gov](mailto:Stevenrd@Michigan.gov)



## Section A: Readiness Review Report and Tentative Audit Plan

Mike Ferrucci will serve as the Lead Auditor for the SFI component of the preliminary and full evaluation. Petie Davis will serve as CB reviewer (quality control). SCS Senior Vice-President, Dr. Robert J. Hrubes will serve as the Lead Auditor for the FSC component of the preliminary and full evaluation and an SFI team member. The other members of the audit team will include Ms. Jodi J. Kaiser, a Michigan-based forester with training in wildlife habitat management as well as Dr. David Capen, a wildlife biologist and forest ecologist. Additional information regarding auditor qualifications is provided in Appendix A-2.

### **Confidentiality and Conflict of Interest**

All NSF-ISR auditors will maintain complete and strict confidentiality regarding all aspects of the audit. The Michigan DNR reserves the right to release NSF-ISR and its subcontractors from specific terms of this confidentiality agreement in writing. NSF-ISR will retain only one copy of the Michigan DNR's SFIS Indicators and evidence for its records. All other Michigan DNR materials and documentation, including detailed evidence, will be destroyed at the conclusion of the final report.

All NSF audit team members will sign confidentiality agreements that include provisions regarding the avoidance of conflict of interest, including requirements of the SFI Standard. Prior to finalizing the audit team, the Lead Auditor and audit team members shall disclose to Michigan DNR any prior land appraisal or assessment work or land brokerage activity they or their employers conducted related to the property to be audited.

### **Readiness Review and Report**

Readiness Review meetings between DNR's staff and the Lead Auditor were held at the Michigan DNR's offices on October 25, 2004 (Gap Analysis or Baseline Audit), at various field sites from October 26-29, 2004 and by conference calls from June through August, 2005 culminating in a final closing conference call August 3, 2005. A thorough document review was performed, the lead auditor's credentials were confirmed, and the overall substance of the audit plan was discussed and agreed to. As an outcome of this series of meetings, the Lead Auditor determined that the Michigan DNR is prepared, and necessary documentation is sufficient, to undergo a full SFIS Certification Audit as outlined in this plan.

Michigan DNR and the Lead Auditor also reviewed and came to agreement on the specific indicators of conformance that will be used to judge conformance with the SFI Standard, which are the indicators and performance measures as listed in the 2005-2009 Sustainable Forestry Initiative Standard ®. The Lead Auditor and audit team members will not introduce additional or modified indicators during the field audit. Agreement on the indicators of conformance is necessary to avoid surprises during the SFIS Certification Audit process.

The Lead Auditor has prepared a Readiness Review Report documenting that the Michigan DNR is ready to proceed with the SFIS Certification Audit.

## Section A: Readiness Review Report and Tentative Audit Plan

### **Overview of Audit Plan:**

- The audit will start in Lansing, finish in the UP (Marquette OSC);
- All units not visited during the scoping will be visited during the full assessment - Repeat visits are planned for the Gladwin and Gaylord units;
- The audit team will visit all four districts, and one OSC per district;
- Team members will be in the same FMU at the same time, but will generally break into smaller teams for visits within the units;
- At times one or more team members will drop out of field visits and conduct stakeholder or other outside interviews –office space with phones will be needed;

<b>Monday 9-19</b>	<b>Tuesday 9-20</b>	<b>Wednesday 9- 21</b>	<b>Thursday 9-22</b>	<b>Friday 9-23</b>	<b>Saturday 9-24</b>
<i>Lodging (eve.): Cadillac</i>	<i>Cadillac</i>	<i>Gaylord</i>	<i>Gaylord</i>	<i>Gaylord</i>	<i>Auditors to arrange</i>
Opening Meeting Interviews with DNR Forestry Staff, State specialists, and stakeholders	<i>Cadillac OSC</i>  Field Inspection:  Cadillac Unit	  Field Inspection*:  Gladwin Unit  (* team splits)	<i>Gaylord OSC</i>  Field Inspection*:  Gaylord Unit  Evening stakeholder meet. 7-9 pm	  Field Inspection*:  Atlanta Unit	  Field Inspection:  Pigeon River Unit

<b>Sunday 9-25</b>	<b>Monday 9-26</b>	<b>Tuesday 9-27</b>	<b>Wednesday 9-28</b>	<b>Thursday 9-29</b>	<b>Friday # 9-30</b>
<i>Lodging: Newberry</i>	<i>Marquette</i>	<i>Marquette</i>	<i>Marquette</i>	<i>Marquette</i>	
Review and Synthesis of week one auditing (audit team only)	<i>NewberryOSC</i>  Field Inspection*: Sault Ste. Marie Unit (Naubinway)	<i>MarquetteOSC</i> Field Inspection*: Gwinn Unit Eve. meeting stakeholders Marquette 7-9 pm	<i>Baraga OSC</i> Field Inspection*: Baraga Unit  Evening dinner all	- Additional interviews/ consultation - FSC & SFI synthesis and scoring	- 10:00 am to 12:15 pm Closing Meeting - Audit team travel home

Additional details provided below.

(# note mid-day departure of audit team on final day of audit)

## Section A: Readiness Review Report and Tentative Audit Plan

### **Stakeholder Meetings**

These meetings are an integral part of the FSC certification process, but also provide valuable insight for the SFI review process. Three such meetings are planned:

- Monday 9-19 2:30 to 4 pm in DNR's Lansing, MI offices
- Thursday 9-22 7 to 9 pm in Gaylord, MI, and
- Tuesday 9-27 7 to 9 pm in Marquette, MI

The FSC Team Leader Robert Hrubes will lead these sessions.

### **SFIS Certification Audit Schedule**

The SFIS Certification Audit schedule for the office and field audit to be performed by the NSF-ISR audit team, as well as the SCS FSC Audit, is outlined below.

### **Audit Team Meeting**

The NSF-ISR Audit Team will receive introductory materials in advance of the audit, and may have preliminary e-mail and telephone discussions regarding the assignments and logistics. The audit team will meet prior to conducting the audit to review the audit plan and make any final adjustments. This meeting will generally occur the night before the Opening Meeting.

### **Opening Meeting**

The Opening Meeting will be held at Michigan DNR's Lansing offices as follows:

Monday- Office (Lansing): 8 am to 4:00 pm;

8:00 - 9:30 Introductions & Opening Meeting

9:45 - Noon Review of Planning

12:30 -2:30 Separate Interviews – Team Members and Specialists

- Robert Hrubes - Stakeholder consultation approaches and mechanisms including tribal consultation
- Mike Ferrucci - Inventory and Harvest Levels
- Dave Capen - Wildlife and HC VF
- Jodi Kaiser- Forest Health and Fire

2:30 - 4:00 Public Stakeholder Meeting, DNR Offices

4:00-4:30 Daily Briefing

5-7:30 pm Travel to Cadillac

Attendance at the Opening Meeting will include the Michigan DNR's Forest Certification Implementation Team and NSF-ISR's Audit Team. The purpose of the meeting is to introduce all parties, review the SFIS Certification Indicators, confirm the audit plan and responsibilities, and attend to any outstanding issues.

The Lead Auditor will explain the audit procedures contained in the SFIS Certification Audit Matrix and the appropriate lines of communication between the NSF-ISR Lead Auditor and the Michigan DNR's management representative. The interviewees will be identified and contact information will be arranged.

## Section A: Readiness Review Report and Tentative Audit Plan

The audit schedule will be reviewed including the dates, times and locations of meetings. Other aspects of the audit plan will be discussed including the content of the final and summary reports, tentative dates of publication of the final and summary reports, procedures in the event that the final report is delayed, confidentiality procedures, the NSF-ISR dispute resolution process, and the tentative date for issuance of the NSF-ISR certificate of SFIS conformance.

At the conclusion of the Opening Meeting any health and safety and emergency procedures will be discussed. Next, the Michigan DNR will present an overview of its planning and inventory status, SFIS Indicators and Evidence, and other details regarding its conformance with the SFI Standard.

### **Daily Briefings**

Each day of the SFIS Certification Audit will begin with a brief opening meeting held in the DNR office identified in the daily schedule below. The daily briefing is designed to review the day's schedule, responsibilities, and arrangements; to obtain any needed documents; and to answer other preliminary questions. The specific field sites and routes to be traveled will be finalized, based upon weather and access constraints. Each day will conclude with a brief closing meeting to review the day's findings, to confirm plans for the evening, and to plan for activities the following day.

Any potential areas of minor or major non-conformance shall be identified during the field audit and discussed at the daily closing meeting. Any additional evidence or field site investigations that could clarify the areas of non-conformance should be identified and prepared for the following day.

### **Daily schedule**

Tuesday through following Wednesday: 6:30 am breakfast, 8 am -5 pm office/field visits

#### **Tuesday 9-20**

*Cadillac OSC – 1 hour*

Cadillac Unit office – 1 hour office discussions and finalize field itinerary

Field Inspection: 2 Compartments expected to be visited, may do more (auditors will ultimately select and DNR will compile information on 3)

#### **Wednesday 9-21**

Gladwin Unit office – 1.5 hours office discussions and finalize field itinerary

Field Inspection (team splits): 4 Compartments expected

(auditors will ultimately select and DNR will compile information on 6)

#### **Thursday 9-22**

*Gaylord OSC*

Gaylord Unit – 1.5 hours office discussions and finalize field itinerary

Field Inspection (team splits): 4 Compartments expected

(auditors will ultimately select and DNR will compile information on 6)

#### **Friday 9-23**

Atlanta Unit – 1.5 hours office discussions and finalize field itinerary

## Section A: Readiness Review Report and Tentative Audit Plan

Field Inspection (team splits): 4 Compartments expected  
(auditors will ultimately select and DNR will compile information on 6)

### **Saturday 9-24**

Pigeon River Unit – 1.5 hours office discussions and finalize field itinerary

Field Inspection: Audit team will view up to three compartments, and will have an expanded focus on recreation and on designation of HCVF and potential old growth areas. One compartment from 2004 YOE (48) and the nearest compartment from 2003 YOE (49) were randomly selected and a targeted compartment was selected from the northern portion of the forest (3 or 19).

DNR will compile information on these four compartments.

### **Sunday 9-25**

Day off

### **Monday 9-26**

*Newberry OSC– 1 hour*

Sault Ste. Marie Unit – 1 hour office discussions and finalize field itinerary

Field Inspection (team splits): 4 Compartments expected

(auditors ultimately will select and DNR will compile information on 6)

### **Tuesday 9-27**

*Marquette OSC– 1 hour 8-9:30*

Gwinn Unit – 1 hours office discussions and finalize field itinerary 10:00-11:00

Field Inspection (team splits): 4 Compartments expected

(auditors will ultimately select and DNR will compile information on 6)

### **Wednesday 9-28**

*Baraga OSC– 8-9 am*

Baraga Unit – 1 hour office discussions and finalize field itinerary 8-9 am

Field Inspection (team splits): 2-3 Compartments expected

(auditors will ultimately select and DNR will compile information on 4)

### **Field Site Selection**

The NSF-ISR audit team will inspect a variety of field sites to assess conformance with the SFI Standard. During audit planning the Lead Auditor and the Michigan DNR's Forest Certification Implementation Team reviewed the range of field activities and formulated a sampling plan. The Lead Auditor and Michigan DNR representatives first determined the 8 (of 15) Forest Management Units (primary strata) within which to sample field sites. DNR then provided a list of "Year of Entry" Compartments as the secondary strata. The Lead Auditor then used randomized selection methods to select a subset of all available compartments and assigned a priority number to each one.

### **Sampling Approach:**

The field audit is based on 2004 (supplemented by 2003) YOE Compartments. The Lead Auditor will select the number of compartments listed above and use these as a "framework" for the field itinerary route, and then tier off these selections as follows:

## Section A: Readiness Review Report and Tentative Audit Plan

- Each selected compartment is likely to contain 3-4 timber sales of interest; selection of these timber sales will be done on the day of the audit by the audit team
- Other management activities (see “Additional Sites” below) will be viewed within selected compartment or adjacent compartments
- One to two days in advance of field visit, the FMU (local) representative will add 1 active harvest per day (with equipment and operators if possible) by selecting the nearest harvest(s) adjacent to selected compartments
- In field or office: the audit team will review an adjacent 2005 compartment plan and associated implementation status
- In office: the audit team will review an adjacent 2006 compartment plan; discuss 2007 planning

### **Compartment Selection Protocol:**

1. DNR (Larry Pedersen) provides 2003-2007 YOE Compartments for 8 selected FMUs;
2. Lead Auditors Prioritize 2004 YOE Compartments, with # of selections from above (see Appendix 5.2);
3. DNR provides broad description of selected compartments, as well as some additional compartments (generally 2 more for YOE 2004, 3 more for YOE 2003); information will include # of timber sales and general type; representative-ness of compartment for overall FMU
4. Lead Auditors finalize selections;
5. DNR prepares audit packages to be given to audit team the night before each visit

### **Additional Sites for Field Audit**

Each selected compartment provides the framework for the field audit, with additional sites to be visited based on logistics to include:

- Protected areas and special sites
- Research and demonstration areas
- Recreation sites
- Road construction / reconstruction
- Forest protection

These additional sites will be proposed by FMU Managers on the day of the audit.

The sample design instructs Michigan DNR’s representatives to compile field visit sites and interviewee lists that have a greater number of samples than are expected to be examined. Final selection of samples is at the discretion of the audit team.

A list of field site selections (initial compartments) is provided in Appendix 5-2. These selections will be revised and finalized by August 30, 2005.

## Section A: Readiness Review Report and Tentative Audit Plan

### **Information Packages:**

DNR should compile the following information for the audit team, to be provided the day before each day's field audit (paper copies) or electronically 2 weeks in advance of the field audit, or both:

#### Overall documents

- ☐ One copy, **shared by audit team:**
  - Draft or final statewide planning documents
  - Regional planning documents
  - Allowable harvest determination approach and results
- ☐ One copy for **each team member:**
  - Management Review report or minutes
  - Summary documents for statewide and regional planning
  - Any maps readily available that depict entire ownership or major portions thereof
  - Summary of harvest calculations

#### For each **Forest Management Unit** visited:

- ☐ One copy, **shared by audit team:**
  - Forest Management Plan(s) or their equivalent
  - example compartment plan/inventory/planning update for one 2005, 2006 and 2007 YOY Compartment; for 2007 provide examples of stand exam. notes that include social impact assessment notes
  - internal audit reports
  - road inventory/ road management plan / road maintenance budget or equivalent
  - other descriptive documents (assessments, special studies, etc) as appropriate
- ☐ One copy for **each team member:**
  - list of personnel / organizational chart including FMFM, WMD, FD
  - FMU Map(s) including roads, streams and wetlands, compartments, special features
  - if available, a Greater Area (location) map showing regional context, other major ownerships, special landscape features, etc.
  - Agenda / Itinerary

#### For each **selected compartment** ----

- ☐ One copy, **shared by audit team:**
  - complete compartment plan with details
  - complete file for one completed sale (if available) including sale prospectus, contract, sale inspections and closeout report
  - copies of any internal audit reports for stands within compartment
- ☐ One copy **for each team member:**
  - summary for compartment (up to 15 pages)
  - map(s) of each treatment area

### **Potential Audit Interviewees**

The NSF-ISR Lead Auditor has identified the following categories of potential interviewees that may be contacted during the SFIS Certification Audit. Michigan DNR personnel are requested to develop and organize a list of names and phone numbers so that the audit team may conduct appropriate interviews. A preliminary version of this list should be provided to the Lead Auditor by August 23. An updated version of this list can be provided to the audit team members during the opening meeting on September 19 in Lansing.

Where possible, any DNR employees who are listed below should be asked to participate in one of the meetings described above, either in Lansing or in the OSC locations being visited. The FCIT may schedule these appearances (of DNR employees) and notify the audit team when key individuals are available. For other people on the interview list audit members will make contact before or during the audit as time allows.

- Statewide Council: key staff and leadership;
- Field Coordinators for FMFM, Fisheries Division, Wildlife Division;
- Division Chiefs for FMFM, Fisheries Division, Wildlife Division;
- List of two Contract Loggers that operate in each FMU;
- Staff or leadership of the SFI program State Implementation Committees;
- Michigan DNR's representatives on the SFI program State Implementation Committees;
- TNC staff involved in large scale or regional planning; and
- Regulatory officials with oversight on DNR land-management activities

The contact list for interviewees will be provided by DNR as per Appendix 5-3.

### **Closing Meeting**

The closing meeting will be held in the Michigan DNR's Marquette office. Following a brief meeting of the audit team, the formal closing meeting will be held including the Michigan DNR's SFI Team and the full NSF-ISR Audit Team.

The audit team will make an oral presentation of audit findings, discuss any minor or major non-conformances, and the lead auditor's recommendation regarding overall conformance with the SFI Standard. Possible audit recommendations including Immediate Certification, Pending Certification and Deny Certification are detailed in NSF-ISR's SFIS Certification Process SOP.

Any minor or major non-conformances shall be fully documented in the SFIS Certification Audit Matrix and Corrective Action Requests (CARs) and presented to the Michigan DNR for review and discussion. The Michigan DNR will have the opportunity to discuss and clarify any outstanding issues related to the CARs and any other aspects of the audit. Each of the Corrective Action Request forms will be signed by the Michigan DNR's management representative.



## Section A: Readiness Review Report and Tentative Audit Plan

Every effort will be made to resolve all questions and issues related to the SFIS Certification Audit before the end of the Closing Meeting. The Lead Auditor shall fully explain the next steps of producing the draft final and summary reports for review by the Michigan DNR. Timeframes for completing the audit report process and issuing the Certificate of SFIS Conformance will be finalized.

### **Dispute Resolution Process**

The NSF Lead Auditor is responsible for making a recommendation for certification. The NSF Certification Review Board member will review the audit report, consider the Lead Auditor's recommendation, and make a final determination regarding certification.

In the event that there is a dispute between the Lead Auditor and the Michigan DNR over interpretations of the SFI Standard or any other aspect of the certification audit the first step is for the Program Participant's management representative to call the Audit Manager (888-NSF-9000 to resolve the dispute. If the dispute continues, the formal dispute resolution process of NSF-ISR (AE-989-0002) will be followed.

### **Reporting**

#### **Process for Preparation and Review of the Final Report**

The Lead Auditor will draft an unofficial final report consistent with the format and contents outlined in the NSF-ISR SFIS Certification Process SOP. The Lead Auditor shall arrange to have the NSF-ISR CB Member conduct a review of the report and provide a certification recommendation at that time. The CB reviewer shall make the final decision regarding certification and shall provide any editing comments or suggested changes to the Lead Auditor in a timely manner.

The Lead Auditor shall make necessary revisions and then forward the draft final report to the Michigan DNR for a review of factual accuracy within two weeks of the Closing Meeting. The Michigan DNR will have up to two weeks to submit comments to the lead auditor. The Lead Auditor will incorporate appropriate suggestions from the Michigan DNR and then forward the Final Report to the NSF-ISR SFI Program Manager within one week of receipt of comments.

The NSF-ISR CB Member will review the Final Report for thoroughness and completeness. Upon approval, the NSF-ISR CB Member will send the Final Report to NSF and will ensure that a copy and certificate are issued to the Michigan DNR within eight weeks of the closing meeting. If additional time is required the SFI Program Manager and/or the Lead Auditor will so notify the Michigan DNR.

### **Summary Report**

If the Michigan DNR plans to make any public statement about the results of the SFIS Certification Audit a Public Summary Report must be provided to the Sustainable Forestry Board. The content of the summary report will be agreed to by NSF-ISR and the Michigan DNR to ensure that it captures all of the relevant findings. The Lead

## Section A: Readiness Review Report and Tentative Audit Plan

Auditor will develop a Draft Public Summary and will work with the management representative to finalize this audit summary. The summary shall include the audit scope and process, the names of the auditors, the indicators used, and a summary of relevant findings.

### **Distribution of Reports**

The final report is the sole property of the Michigan DNR. The distribution of the final report will be at the discretion of the Michigan DNR. Consistent with the requirements of the Sustainable Forestry Initiative® Audit Procedures and Qualifications (SFI APQ) 2005–2009 Edition, the Michigan DNR is required to submit a copy of the summary report to the Sustainable Forestry Board and AF&PA two weeks prior to making an public statement regarding the audit.

All working documents, draft and final and summary reports in the possession of the audit team members and Lead Auditor shall be destroyed at the end of the SFIS Certification Audit process, unless agreed to in writing by NSF-ISR and the Michigan DNR. NSF-ISR and the Lead Auditor shall retain one copy of all documents related to the SFIS Certification in permanent files for purposes of conducting surveillance audits and re-audits, and for other legitimate purposes.

### **Certificate of Conformance**

Upon successful completion of the SFIS Certification Audit process as contained in this Audit Plan, NSF-ISR shall issue a formal certificate of conformance with the SFI Standard. The content of the SFIS Certificate is outlined in the NSF-ISR SFIS Certification Process Standard Operating Procedure.

### **Surveillance Audit and Re-audit Schedule**

The final step in the audit planning process is to tentatively schedule periodic surveillance audits. The periodic surveillance audits will generally be scheduled within twelve months of the initial audit, and will generally occur annually. The option for a continuous surveillance audit approach will be discussed during the audit and a decision will be made at the closing meeting.

### **Appendices to Audit Plan**

Appendix 5-1 Qualifications of Auditors

Appendix 5-2 Potential Field Sites

Appendix 5-3 Potential Interviewees

## **Appendix 5-1**

### **Qualifications of Auditors**

#### ***NSF-ISR Lead Auditor Mike Ferrucci***

Mike Ferrucci is the SFI Program Manager for NSF – International Strategic Registrations and is responsible for all aspects of the firm’s SFI Certification programs. Mike has led Sustainable Forest Initiative (SFI) certification and precertification reviews throughout the United States. He has also led joint SFI and Forest Stewardship Council (FSC) certifications in Wisconsin, Maryland, Maine and Connecticut and scoping or precertification gap-analysis project throughout the United States. He is qualified as a RAB EMS Lead Auditor (ISO 14001 Environmental Management Systems), as a SFI Lead Auditor, as a FSC Team Leader, and as a Tree Farm Group Certification Lead Auditor.

Mike has conducted or participated in assessments of forest management operations throughout the United States, with field experience in Maine, New Hampshire, New York, Massachusetts, Connecticut, New Jersey, Maryland, West Virginia, Tennessee, Minnesota, Michigan, Wisconsin, Arizona, California, Oregon, and Washington. Mike is a 26-year member of the Society of American Foresters. He is also active in the Association of Consulting Foresters and the Connecticut, Massachusetts, and Rhode Island SIC for the Sustainable Forestry Initiative.

Mike has 27 years of forest management experience. His expertise is in sustainable forest management planning; in certification and verification of forests as sustainably managed; in the application of easements for large-scale working forests, and in the ecology, silviculture, and management of mixed species forests, with an emphasis on regeneration and management of native hardwood species.

Mike is a founding partner and President of Interforest, LLC where he is responsible for the assembly and management of integrated teams of scientists and professional managers to solve complex forestry problems. Mike is also a Lecturer at the Yale School of Forestry and Environmental Studies, where he teaches courses and workshops in forest management, operations, professional forest ethics, private forestry, and financial analysis to graduate students.

#### ***SCS Lead Auditor Robert Hrubes***

Robert Hrubes is Senior Vice-President of Scientific Certification Systems. In that capacity, Dr. Hrubes is responsible for all natural resource and recycled content certification activities of the company. While providing senior leadership of these programs, Dr. Hrubes remains an active certification practitioner. He continues to lead certification evaluation teams throughout the world as well as represent both SCS and FSC before numerous public fora. He is internationally recognized as a leading authority and practitioner of third-party forest management certification.

## Section A: Readiness Review Report and Tentative Audit Plan

Prior to assuming his present duties at SCS in 2000, Dr. Hrubes owned and managed, for 6 years, a forestry and natural resource economics consultancy based in northern California. During those years, he served on the founding Board of Directors of the Forest Stewardship Council. Additionally, he served as the founding Chair, Board of Directors of the Forest Stewards Guild, a U.S.-based professional society of progressively minded practicing foresters. Previous to the creation of his own consultancy, Dr. Hrubes was for 6 years a managing principal of LSA Associates, Inc., a California-based environmental consulting firm. And prior to that, Dr. Hrubes was employed by 14 years by the USDA Forest Service in a variety of positions from field forester to research economist, operations research analyst and acting Group Leader for Land Management Planning.

Dr. Hrubes holds the following degrees:

Ph.D., Forest Economics, UC-Berkeley

M.A., Economics, UC-Berkeley

M.S., Resource Systems Management, Univ. of Michigan, Ann Arbor

B.S., Forest Management, Iowa State University, Ames

### ***Dr. David Capen, Team Member, Wildlife Biology and Ecology***

Dr. David Capen is Research Professor, School of Natural Resources, University of Vermont. He is an expert in Wildlife Habitat Analysis, Avian Ecology, Landscape Ecology, Biodiversity Analysis, GIS and Remote Sensing, Multivariate Statistics, and Conservation Planning and Reserve Design.

He holds the following degrees:

University of Tennessee, B.S.F., 1969 (Forestry)

University of Maine, M.S., 1972 (Wildlife Management)

Utah State University, Ph.D., 1977 (Wildlife Science)

Dr. Capen has participated in a variety of forest certification projects, including SFI and FSC projects on state lands. His certification projects include the following:

SFI Forest Certification, Audit Team, State of Maine, for NSF-ISR

FSC Forest Certification, Audit Team, State of Massachusetts, for SCS

SFI Forest Certification, Audit Team, Harden Furniture, for NSF-ISR

SFI Forest Certification, Audit Team, Finch-Pryne Co., NY, for The Plum Line

SFI Forest Certification, Audit Team, Seven Islands Land Co., Maine, for The Plum Line

FSC Forest Certification, Peer reviewer, Maine Bureau of Public Lands, for Scientific Certification Systems (SCS)

FSC Forest Certification, Peer reviewer, Yale-Meyers Forest, Conn., for SCS

### ***Jodi J. Kaiser***

Ms. Jodi Kaiser brings the strengths of a diversified background having education and experience in both forestry and wildlife management in the state of Michigan. As Executive Director of Michigan Forest Resource Alliance, Jodi demonstrated her

## Section A: Readiness Review Report and Tentative Audit Plan

familiarity with requirements of the State of Michigan and helped promote public awareness through education and public fora. Ms. Kaiser's was able to articulate her knowledge of the Michigan United Conservation Clubs through her role as Forestry Policy Specialist.

Ms. Kaiser holds the following Degrees:

Michigan Technological University (Houghton, MI) 1990-1994

- Bachelor of Science in Forestry 5/94- Cum Laude
- Master of Science in Forestry 5/94 (Wildlife Management emphasis)

Ms. Kaiser's experience summary follows:

Kaiser Forest Resource Management St. Ignace, MI , Forestry & Wildlife Consultant

- Timber marking, cruising and marketing of forest products.
- Stewardship Plan writer and Timber Tax depletion reports

Michigan Forest Resource Alliance Crystal Falls, MI Executive Director

- Initiated a strategic planning process for non-profit forestry education organization-led to merge of organization with another organization.
- Bid out contract for deliverance of Michigan Forests Forever Curriculum and training workshops.
- Hosted MFRA booth at the ten day Outdoorama Show, featuring forestry commercials, videos, educators kits, forestry and wildlife pamphlets.

Michigan United Conservation Clubs Lansing, MI Forest Policy Specialist/Northern Field Rep.

- Advocate for conservation perspective on forest management issues relating to Federal, State, Industrial and Private lands.
- Testified before legislative committees, Forest Service hearings, and public forums regarding the multiple use and professional management of forest resources. Commented on many forest service, DNR and industry initiatives and projects.
- Worked with the Michigan Forest Resource Alliance on several educational and special projects.
- Worked towards coordination and cooperation among organizations and agencies.

Rothig Forest Products, Inc. Luther, MI Procurement Forester

- Procure federal, state and private stumpage for two CTL crews, a grade log crew and whole-tree chipping crew
- Work with private landowners and special education projects such as a Red Pine Demonstration Forest with the Irons Area Tourist Association.

## Appendix 5-2

### Potential Field Visit Sites

<b><u>Initial Compartment Selections as of 8.20.05</u></b>							
<b><u>(bold indicates top choices and likely number to be visited *)</u></b>							
Baraga	Gwinn	Gaylord	Pigeon River	Sault	Atlanta	Cadillac	Gladwin
<b><u>2004</u></b>	<b><u>2004</u></b>	<b><u>2004</u></b>	<b><u>2004</u></b>	<b><u>2004</u></b>	<b><u>2004</u></b>	<b><u>2004</u></b>	<b><u>2004</u></b>
21	60	1	48	110	56	76	49
27	48	59	3	139	34	105	133
57	32	24	57	107	53	32	33
46	282	55	27	201	171	79	115
52	232	101	34	158	176	124	94
42	292	16	22	136	122	92	25
11	222	11		150	41	20	27
68	252	211	<b><u>2003</u></b>	202	7	141	19
	212	161	49	194	148	10	145
	272	129	32	187	156	94	55
	23	171	19	177	39	130	128
	8	67	59	203	96		84
	88	113		116	99		44
	15	36			68		90
	202	189			82		
	104	106			142		
	262				163		
	242				136		
	14						
	79						

\*Final determination of units to be visited will be made prior to audit. DNR is providing general information about more units, and auditors will make final selections.

### **Supplemental Compartment Selections**

Baraga			
<b><u>2003</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>
Comp.	Comp.	Comp.	Comp.
25	74	81	70
48	38	54	51
33	49	67	53
56	6	24	12
7	2	13	5
4	58	72	60
71	23	43	31
	64	73	66
	16	36	17
			82

Pigeon River	Note:			
	2003 selections above			
<b><u>2003</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	
Comp.	Comp.	Comp.	Comp.	
49	26	18	29	
32	55	52	36	
19	31	23	42	
59	41	35	16	
45	14	11	8	
	10	5		

# Section A: Readiness Review Report and Tentative Audit Plan

Gwinn			
<u>2003</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Comp.	Comp.	Comp.	Comp.
239	295	293	
30	225	223	230
219	87	80	69
35	265	263	270
269	275	273	290
229	245	243	250
289	49	34	28
42	70	62	50
82	215	213	220
5	61	44	31
249	235	233	240
259	21	27	16
103	91	90	92
56	255	253	260
209	205	203	210
279	6	7	12
89	102	95	97
25	285	283	300
68	66	57	39
	33	29	24
	83	67	53

Sault			
<u>2003</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Comp.	Comp.	Comp.	Comp.
121	182	46	47
198	137	20	48
38	44	35	42
149	192	50	43
185	26	56	54
120	165	59	57
144	122	123	105
189	102	132	125
159	108	135	128
40	40	145	129
32	171	147	162
49	55	148	164
124	126	151	167
106	44	170	174
53	186	179	188
		193	200

Note: strikeouts are for compartments outside of the Naubinway area.

Gaylord			
<u>2003</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Comp.	Comp.	Comp.	Comp.
181	188	207	180
40	10	9	4
48	102	110	70
22	217	218	210
66	174	165	163
162	47	49	41
2	147	160	143
208	56	57	50
7	133	125	123
63	28	23	25
111	130	118	103
167	187	172	169
19	138	128	134
182	68	65	64
108	15	17	20
157	207	209	186
151	44	35	30
120	142	150	135
			219

Atlanta			
<u>2003</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Comp.	Comp.	Comp.	Comp.
62	146	126	139
35	58	66	71
127	4	17	33
143	174	172	
169	153	132	162
13	110	104	106
25	1	6	11
135	100	95	102
70	167	158	164
124	54	57	63
166	149	130	155
131	61	69	75
46	125	119	137
76	10	21	38
94	91	80	87
92	40	43	59
18	115	111	120
107	32	28	51

# Section A: Readiness Review Report and Tentative Audit Plan

Cadillac			
<u>2003</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Comp.	Comp.	Comp.	Comp.
126	89	62	113
12	135	121	
77	19	24	26
82	114	96	139
132	102	81	119
97	84	51	98
18	6	22	4
16	137	128	
29	125	106	148
103	109	93	131
117	21	34	35
	30	37	86

Gladwin			
<u>2003</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Comp.	Comp.	Comp.	Comp.
60	38	31	26
124	41	40	30
36	74	77	63
65	140	132	139
10	18	13	15
2	108	117	110
73	99	91	93
120	142		144
106	69	67	53
68	82	86	72
111	57	54	46
137	123	126	130
83	102	95	98



## **Appendix 5-3**

### **Potential Audit Interviewees**

The NSF-ISR Lead Auditor has identified the following categories of potential interviewees that may be contacted during the SFIS Certification Audit. Michigan DNR personnel are requested to develop and organize a list of names and phone numbers so that the audit team may conduct appropriate interviews. A contact list can be provided to the audit team members during the opening meeting on September 19 in Lansing.

- Statewide Council: key staff and leadership
- Field Coordinators for FMFM, Fisheries Division, Wildlife Division
- Division Chiefs for FMFM, Fisheries Division, Wildlife Division
- List of two Contract Loggers that operate in each FMU;
- Staff or leadership of the SFI program State Implementation Committees;
- Michigan DNR's representatives on the SFI program State Implementation Committees;
- TNC staff or other stakeholders involved in large scale or regional planning
- Regulatory officials with oversight on DNR land-management activities



**Section B**

**SFI Certification Audit Matrix**



## Section C

### NSF-ISR Corrective Action Requests (CARs)

Company/Location: <u>MI DNR</u>	Date: <u>9-20-05</u> FRS # <u>5Y031</u>
Auditor: <u>Mike Ferrucci, Jodi Kaiser</u>	CAR Number: <u>MF-2005-01B</u>
Location of Finding: <u>Cadillac FMU C12 Sale#63-009-03-01</u>	Previous CAR Number/Date: <u>NA</u>
Discussed with: <u>Steve Nyhoff, Bill O'Neil and others</u>	Nonconformance Type (underline): <u>Major</u> <b>Minor</b>

**AUDITOR FINDING:** Standard Number and Clause: 2005-2009 SFIS Performance Measure 5.1 Visual Management Program Managers shall manage the impact of harvesting on visual quality.

Description: Operations Inventory (O.I.) Forest Management Division comment about leave trees in the Cycle Oak Sale stated “mark oak trees to leave for visual management and protection of trail” yet in field no marks could be seen (sale not yet cut). Concerns were addressed by DNR personnel, by explaining that instead of painting leave trees they “did address the leave tree issue with the 4-inch (retention) spec rather than a 2-inch spec”. This was confirmed by review of 3.26.02 Compartment Review Notes for C12, and this decision was implemented in the contract “Cutting Specifications”. However, on the closed sale “Squidwood Oak” O.I. comment for leave trees in the Squidwood Sale stated “mark oak trees to leave for visual management for trails and Three Mile Road” for Stands 82 and 83, and “leave JP and oak trees in clumps.” Leave trees were not left. Thus there was a lack of visual management for Three Mile Road. Other similar situations were encountered during the audit, in which recommendations during planning process were not carried out in the field.

**IF NECESSARY, PLEASE ATTACH A SEPARATE REPORT ADDRESSING THE FOLLOWING THREE ITEMS:**

**1) ROOT CAUSE ANALYSIS BY COMPANY**—Include potential causes & assurance problem does not exist in other areas.

The cause of this problem is failure to follow current procedures and perform what was prescribed in operations inventory. Similar operational shortcomings were found during Michigan DNR’s internal audit and management review in 2005.

**2) CORRECTIVE ACTION BY COMPANY** – Based on the Root Cause Analysis, the following action has been planned/taken to correct the problem. Please include expected completion date.

Work Instruction 7.1 states that Foresters and Forest Technicians are to complete a *Timber Pre-sale Checklist* to assure that all management intentions as recorded in the inventory system have been provided

## Section C: Corrective Action Requests (CARs)

for in the sale. The monitoring section of this work instruction, assigns the QA/QC responsibility to the Unit Manager.

**3) PREVENTIVE ACTION BY COMPANY** – Based on the Root Cause Analysis, the following action has been planned/taken to correct the problem. Please include expected completion date.

Michigan DNR will continue to implement operational procedures as outlined in Work Instruction 7.1. Field Coordinators will review and address shortcomings identified during the management review process (internal audits). Work Instruction 7.1 will be amended to more clearly state that the FMFM Unit Manager is responsible for ensuring that operations inventory prescriptions and timber sale preparation specifications match.

### **AUDITOR REVIEW OF COMPANY'S PLAN:**

This plan places emphasis on implementing Work Instruction 7.1 including a "Timber Pre-sale Checklist", which is a fairly recent process. Implementation will be reviewed during Surveillance Audits over the next year.

STATUS: OPEN AUDITOR/DATE: Michael Ferrucci 11.16.05

### **AUDITOR REVIEW OF COMPANY'S COMPLETED ACTION:**

\_\_\_\_\_  
\_\_\_\_\_

STATUS: \_\_\_\_\_ AUDITOR/DATE: \_\_\_\_\_

**STATUS LEGEND:** OPEN = CA Plan Accepted **CLOSED** = CA implemented, verified & accepted **REJECTED** = C/A Plan or Implementation rejected

## Section C: Corrective Action Requests (CARs)

Company/Location: <u>MI DNR</u> Auditor: <u>Mike Ferrucci</u> Location of Finding: <u>Gladwin FMU, Comp. 124</u> Discussed with: <u>Steve Nyhoff, Bill O'Neil &amp; others</u>	Date: <u>9-21-05</u> FRS # <u>5Y031</u> CAR Number: <u>MF-2005-02</u> Previous CAR Number/Date: <u>NA</u> Nonconformance Type (underline): Major <b>Minor</b>
---	--

**AUDITOR FINDING:** Standard and Clause: 2005-2009 SFIS Indicator 5.3.3 “Green-up” requirement.

Description: Trees in adjacent clearcut areas were not 3 years old or 5 feet tall. Despite operational and economic considerations, alternative methods to reach the performance measure were not employed in the critical portion of the sale. Compartment 124, Stands 36 & 38 Jack Pine clearcut 73-040-99-01, Stand 22 Unit 9 73-005-03-01, and Stand 20 Unit 6 73-005-03-01 are adjacent. From SW to NE, Stand 22 is furthest to rear, 36/38 are in the middle, and 20 is nearest to Jack Pine Trail, a paved public road. A large subdivision is located ¾ mile to the east of these sales, and DNR staff indicated that residents of the subdivision picked blueberries in these areas prior to and after harvest. A protest blockage of the furrowing equipment was described to the auditors, indicating a continuing high interest in this area even after the trees were harvested. The design and layout of the harvests incorporated many aspects of visual management, except for the conjunction of adjacent stands 20 and 38. At the time of the audit all four adjacent stands were not regenerated, and this adjacency requirement of SFI was not met. See details below.

**Stand 36 and 38 Jack Pine clearcut 73-040-99-01**  
 (Note: Stand 36 is listed on Timber Sale Completion Report as Stand 138) “Arenac Double Jack” Sale is a 56-acre pine pre-salvage clearcut completed October 2002 (payments made 9-30-02 and 10-8-02, final inspection report 10-31-02). 10-18-99 memo from Gladwin FMU Forester indicates it is susceptible to Jack Pine Budworm outbreak with assistance from Forest Health Specialist. It was cut outside of the normal YOE Compartment Review process for this reason, and proper procedure followed. Some natural regeneration JP seedlings under 15 inch height present, uncertain if there are currently enough to meet stocking. FTP # C73781 “Artificial Regeneration of jack pine and red pine” final approval 4-28-05. Stand recently furrowed, not yet planted, indicating that target levels of regeneration not yet met.

**Stand 22 Unit 9 73-005-03-01**  
 “JP Complex Unit 9” 49 acre clearcut of 56-year old Jack pine started January 26, 2005. Adjacent to Stand 36 above, but separated by 100-foot wide uncut buffer except small portion at east end, furthest from road. Good visual.

**Stand 20 Unit 6 73-005-03-01**  
 “JP Complex Unit 6” is a 23-acre clearcut of 66-year old Jack Pine harvested at the same time as Unit 9. This is a non-conformance with the SFI standard 5.3.3. No evidence of urgency regarding health, nor were any other methods employed to manage the esthetic impact of placing this unit adjacent to Stand 38 (no separation buffer was left, and few residual trees present are not positioned to provide buffer. Trees in adjacent Stand 38 were not established at desired level of stocking, and were not 3 years old. (Note: Stand 36 is listed on Timber Sale Completion Report as Stand 138.)

**IF NECESSARY, PLEASE ATTACH A SEPARATE REPORT ADDRESSING THE FOLLOWING THREE ITEMS:**

**1) ROOT CAUSE ANALYSIS BY COMPANY**—Include potential causes & assurance problem does not exist in other areas.

Forest health: No buffer was left between stands 20 and 38 because both were cut to reduce the risk of mortality due to jack pine budworm (see stand list on following page from Roger Mech, Forest Health Specialist). A significant modification of the original sale was made to modify the visual impact of the large clearcut area following the Visual Management Checklist in use at the time of the sales. The original sale, Arenac Double Jack, included stands 36 and 38 which were listed as high risk for jack pine budworm and cut out of year-of-entry. Because of the concern for the aesthetic impact of a large clearcut, stand 38 was divided, reserving 23 acres which were in slightly better condition. This reserved portion became stand 20 which was harvested later. The Corrective Action Request states “No evidence of urgency regarding forest health...” However, there was evidence that forest health was an urgent risk for the stands involved in these sales. The original risk assessment for loss to jack pine budworm listed stand 38 as high risk and the follow-up assessment in 2004 listed the northern portion of old stand 38 (which became stand 20) as high risk. Although the original sale was reduced in area to manage the aesthetic impact, it did not reduce the risk to the remaining stand. It remained necessary to harvest stand 20 before the adjacency requirement had been met to address the forest health risk. Had the entire stand been harvested at one time, there would not have been an issue with adjacency, yet the aesthetic impact of the harvest operation would have been worse. In this case, the aesthetic impact of the large area was deferred, but now, because they are two separate units, they are subject to the adjacency requirement.

Lack of alternative measures: One alternative measure to reduce the visual impact of the clearcut would have been to leave some scattered oak trees. However, the oak in the stand was prescribed to be cut to facilitate the regeneration work. The considerations made were not fully documented in a pre-sale checklist or in OI stand remarks, Note also, that a significant buffer was left along the paved road to the north of the sale areas in order to moderate visual impact of the sale.

Operating instructions: These sales were set up and executed following the operating instructions in place at the time the work was done. The relevant operating instructions regarding clearcut size and visual management were properly employed. All of this work was conducted prior to the Department’s commitment to follow the SFI standard regarding green-up

---

**2) CORRECTIVE ACTION BY COMPANY** – Based on the Root Cause Analysis, the following action has been planned/taken to correct the problem. Please include expected completion date.

---

**3) PREVENTIVE ACTION BY COMPANY** – Based on the Root Cause Analysis, the following action has been planned/taken to correct the problem. Please include expected completion date.  
The Michigan DNR will document future visual considerations that will include the green-up requirement of the SFI Standard. The pre-sale checklist has since been modified to include an explicit check for adjacency and green-up requirements. This change was completed on 10/14/2005.

## Section C: Corrective Action Requests (CARs)

### AUDITOR REVIEW OF COMPANY'S PLAN:

The measures described in the Root Cause Analysis (Part 1) were not fully understood by the audit team when the CAR was issued, but fail to convince the Lead Auditor that the issue was adequately considered at the time the sale layout decision was made, in part because these decisions predated the adoption of the SFI Standard by the Michigan DNR. The lead auditor is convinced by additional evidence provided herein that forest health issues were involved in the timber harvest decisions, but objective evidence does not exist to document alternative methods employed to provide for visual quality as per the SFI requirements. No corrective action (Part 2) is possible. The proposed preventative action (Part 3) is appropriate, as it involves a new process that incorporates SFI requirements and focuses on improved documentation. Implementation, including the use of the modified "Pre-sale checklist" that now includes visual considerations, will be reviewed in the Surveillance Audit scheduled for the fall of 2006.

STATUS: OPEN AUDITOR/DATE: Michael Ferrucci 11.16.05

### AUDITOR REVIEW OF COMPANY'S COMPLETED ACTION:

STATUS: \_\_\_\_\_ AUDITOR/DATE: \_\_\_\_\_

**STATUS LEGEND:** **OPEN** = CA Plan Accepted **CLOSED** = CA implemented, verified & accepted **REJECTED** = C/A Plan or Implementation rejected

## Section C: Corrective Action Requests (CARs)

Company/Location: <u>MI DNR</u> Auditor: <u>Jodi Kaiser</u> Location of Finding: <u>Atlanta Comp. 50 Stand 262</u> Discussed with: <u>Jim Bielecki, Bill O'Neil &amp; Unit Staff</u>	Date: <u>9-23-05</u> FRS # <u>5Y031</u> CAR Number: <u>JK-2005-03</u> Previous CAR Number/Date: <u>NA</u> Nonconformance Type (underline): Major <b>Minor</b>
---	--

**AUDITOR FINDING:** Standard Number and Clause: 2005-2009 SFIS PM 1.1 Indicators 1a, 3, 4, and 5. Also relates to Performance Measure 2.1.

Description: Inventory and planning methods are not always correctly applied. During office review of paperwork, Auditor Jodi Kaiser found a discrepancy between Jack Pine inventory/objective for the stand and post cruise data as part of a proposal for an aspen harvest, with Aspen also coded as objective for the future stand. Biologist recommended drumming logs based on Aspen coding. Drumming logs did not appear on the timber sale prospectus or contract, and thus were not implemented. Despite an initial search for records by Atlanta staff there is no documentation for a changed objective. Field review with Lead Auditor and FMFM and Wildlife staff showed that OI was correct. Field review of site confirmed there had been little aspen in the stand prior to harvest, there are many Jack Pine stumps, and there is little aspen sprouting. Thus Jack Pine should be the objective. As a consequence of this coding error there is no Forest Treatment Proposal (FTP) for planting, and no entry on the Planting Plan maintained by the Timber Management Specialist. (After new work instructions are implemented this type of error could also result in no entry into the time clock, but audit team welcomes additional analysis on this final point.)

Note: Root cause analysis needs to include evidence that this is not a systematic problem.

**IF NECESSARY, PLEASE ATTACH A SEPARATE REPORT ADDRESSING THE FOLLOWING THREE ITEMS:**

**1) ROOT CAUSE ANALYSIS BY COMPANY**—Include potential causes & assurance problem does not exist in other areas.

The cause of this problem is failure to follow current procedures to record accurate stand data in the timber sale proposal. QA/QC measures did not work in regard to finding and correcting coding error. Michigan DNR found similar coding errors during internal audits (Management Review) and considers the root cause of the problems to be failure to follow procedures as directed in Work Instruction 7.

An FTP for planting stand 262 of compartment 50 is attached to this response. Although the FTP could not be located on the day of the Atlanta audit, it did exist. A copy of the FTP was provided to Jodi Kaiser during the second week of the audit. Regeneration plans are adequate.

---

**2) CORRECTIVE ACTION BY COMPANY** – Based on the Root Cause Analysis, the following action has been planned/taken to correct the problem. Please include expected completion date.

Work Instruction 7.1 states that Foresters and Forest Technicians are to complete *Timber Pre-sale Checklist*. This pre-sale check prompts the administrator to assure that all management intentions as recorded in the inventory system have been provided for in the timber sale. In addition, the monitoring section of Work Instruction 7.1 assigns the QA/QC function to the Unit Manager.



## Section C: Corrective Action Requests (CARs)

**3) PREVENTIVE ACTION BY COMPANY** – Based on the Root Cause Analysis, the following action has been planned/taken to correct the problem. Please include expected completion date.

Michigan DNR will continue to implement operational procedures as outlined in Work Instruction 7.1. Field Coordinators will review and address quality control shortcomings found through the Management Review process (internal audits). Work Instruction 7.1 will be revised to more clearly state that the FMFM Unit Manager is responsible for ensuring that operations inventory prescriptions and timber sale proposal coding match.

**AUDITOR REVIEW OF COMPANY'S PLAN:**

Additional evidence provided by Michigan DNR indicates that an FTP was prepared. A non-conformance still exists, and the root cause, corrective, and preventive actions are appropriate. Implementation of Work Instruction 7.1 will be assessed during Surveillance Audits over the next year.

STATUS: OPEN AUDITOR/DATE: Michael Ferrucci 11.16.05

**AUDITOR REVIEW OF COMPANY'S COMPLETED ACTION:**

\_\_\_\_\_  
\_\_\_\_\_

STATUS: \_\_\_\_\_ AUDITOR/DATE: \_\_\_\_\_

**STATUS LEGEND:** **OPEN** = CA Plan Accepted **CLOSED** = CA implemented, verified & accepted **REJECTED** = C/A Plan or Implementation rejected

## Section C: Corrective Action Requests (CARs)

Company/Location: <u>MI DNR</u> Auditor: <u>Mike Ferrucci, Jodi Kaiser, Dave Capen</u> Location of Finding: <u>Numerous field locations</u> Discussed with: <u>Dennis Nezich, FCIT</u>	Date: <u>9-20-05</u> FRS # <u>5Y031</u> CAR Number: <u>MF-2005-04B</u> Previous CAR Number/Date: <u>NA</u> Nonconformance Type (underline): Major <b>Minor</b>
---	---

**AUDITOR FINDING:** Standard Number and Clause: 2005-2009 SFIS Indicator 3.1: Program to implement state or provincial equivalent BMPs during all phases of management activities.

Several instances of Best Management Practice (BMP) violations were observed by the audit team, all of which were already logged into the Michigan DNR violations system (or were recorded as the team observed the non-conformances), but many of these have not yet been corrected. Implementation of corrective actions for all of the recently identified internal BMP non-conformances are not complete, and would not be expected to be complete, given the recent vintage of the internal BMP monitoring program as part of the new Forest Certification Work Instructions. The DNR is to be commended for designing a robust and comprehensive internal inspection and internal audit protocol. Given the number of BMP non-conformances this Minor Non-Conformance is designed to help the NSF Lead Auditor monitor the entire program with respect to implementation of BMPs. Progress against the BMP violations will be assessed during subsequent Surveillance Audits.

**IF NECESSARY, PLEASE ATTACH A SEPARATE REPORT ADDRESSING THE FOLLOWING THREE ITEMS:**

**1) ROOT CAUSE ANALYSIS BY COMPANY**—Include potential causes & assurance problem does not exist in other areas.

Michigan DNR has created procedures for recognizing, documenting, and repairing BMP non-conformances in the implementation of the MDNR Action Plan (a response to the scoping audit in October of 2005). BMP violation reporting, tracking and monitoring was restructured into a more cohesive statewide system using Work Instruction 3.2. This protocol was very recently rolled out, consequently many FMUs are currently gathering and compiling information on BMP violations. This process is used to document BMP problems, prioritize activities, and carry out repairs, and is in the early stage of implementation.

**2) CORRECTIVE ACTION BY COMPANY** – Based on the Root Cause Analysis, the following action has been planned/taken to correct the problem. Please include expected completion date.

Protocols are in place and staff are implementing them based on Work Instructions 3.1, 3.2 and 3.3. A BMP electronic database and form will be developed.

**3) PREVENTIVE ACTION BY COMPANY** – Based on the Root Cause Analysis, the following action has been planned/taken to correct the problem. Please include expected completion date.

DNR is presently using the process described in the work instructions. This process began in June of 2005, and is used to protect water quality and site productivity. Management Review will prioritize reported problems and identify remedial actions to address the most ecologically significant BMP problems. A Management Review is scheduled for December 2005.

Section C: Corrective Action Requests (CARs)

**AUDITOR REVIEW OF COMPANY'S PLAN:**

The proposed corrective and preventive actions are appropriate. Implementation of Work Instructions 3.1, 3.2 and 3.3 will be assessed during Surveillance Audits over the next year.

STATUS: OPEN AUDITOR/DATE: Michael Ferrucci 11.16.05

**AUDITOR REVIEW OF COMPANY'S COMPLETED ACTION:**

\_\_\_\_\_

STATUS: \_\_\_\_\_ AUDITOR/DATE: \_\_\_\_\_

**STATUS LEGEND:** **OPEN** = CA Plan Accepted **CLOSED** = CA implemented, verified & accepted **REJECTED** = C/A Plan or Implementation rejected

## Section C: Corrective Action Requests (CARs)

Company/Location: <u>MI DNR</u> Auditor: <u>Mike Ferrucci, Jodi Kaiser</u> Location of Finding: <u>Numerous field locations</u> Discussed with: <u>Dennis Nezich, FCIT</u>	Date: <u>9-20-05</u> FRS # <u>5Y031</u> CAR Number: <u>MF-2005-05</u> Previous CAR Number/Date: <u>NA</u> Nonconformance Type (underline): Major <b>Minor</b>
<p><b>AUDITOR FINDING:</b> Standard Number and Clause: 2005-2009 SFIS 12.2.4. Recreation opportunities for the public, where consistent with forest management objectives.</p> <p>Despite strong evidence of increased emphasis on management of ORV impacts and enforcement of ORV laws in recent years, and evidence of important progress since the Gap Analysis/Scoping of October, 2004, illegal ORV use continues to impact some streams and wetlands. Budgets for Conservation Officers have been declining in recent years, and an even larger reduction is planned for the next fiscal year. Conservation officers are supported in their work by Forest Officers, who are specially-trained Forest Fire Officers. However the Forest Officer Program is currently a voluntary program for Forest Fire Officers and has declining participation.</p> <p>The primary responsibilities of both Forest Officers and Forest Fire Officers include fire fighting and recreation, with staffing declining despite increasing recreational demand. It is thus unlikely that the Forest Officers will be able to provide much support to Conservation Officers in the area of law enforcement, specifically the area of ORV laws and regulations. Further, the recent increase in emphasis on enforcement of ORV regulations is not likely to be sustained, and damage to the resources will very likely begin to increase once again.</p> <p>Certification does not expect perfection, but does expect a reasonable degree of “continuous improvement”. Given the size and quality of the DNR trail and road system, the increasing popularity of ORVs, and human nature, damage from illegal ORV use will always occur, and in fact continued throughout the 2-week audit. The audit team observed two ORVs being used on a closed trail, having just forded a high-quality stream where banks were eroding. Numerous other examples of ORV damage were observed by the audit team; these examples and many others are currently logged into the Michigan DNR’s BMP violation tracking system. Some work to close these BMP issues (repair the damages and possibly construct preventative barriers) has occurred, but most are still uncorrected.</p> <p>Implementation of corrective actions for all of the recently identified ORV-related BMP non-conformances are not complete, and would not be expected to be complete, given the recent roll-out of the program. The DNR is to be commended for designing a robust and comprehensive internal inspection and internal audit protocol. Given the number of BMP non-conformances this Minor Non-Conformance is designed to help the NSF Lead Auditor monitor implementation of BMPs to repair ORV damage.</p>	

**IF NECESSARY, PLEASE ATTACH A SEPARATE REPORT ADDRESSING THE FOLLOWING THREE ITEMS:**

**1) ROOT CAUSE ANALYSIS BY COMPANY**–Include potential causes & assurance problem does not exist in other areas.

DNR has been monitoring and tracking ORV use and impacts over time. Assessments, plans and reviews related to ORVs occurred in 1979, 1991, 1991-1996 State Comprehensive Outdoor Recreation Plan (SCORP), 1997, 2000, 2003-2007 SCORP and 2005 ORV Plan (Nelson, Draft). These reports have consistently emphasized separating conflicting uses, developing recreation opportunities/trail, user education/training and enforcement (both self and law).

There is a factual error in the CAR related to the LED budget. The Fiscal Year (FY) 06 appropriation is up 31% over FY05. The auditors' observation suggests a perceived lack of permanent, fulltime DNR "officer" personnel as a cause of "resource damage from unauthorized ORV use" and a (presumably negative) "general condition of state forest roads". This approach fails to consider or recognize the DNR's efforts at addressing ORV and road problems via fulltime DNR ORV specialists, temporary and part-time employees, contractors, grants, volunteers, county road commissions, and local law-enforcement personnel. As a result, the "CAR" seems to require hiring uniformed personnel when other approaches may be more effective.

This is a long standing problem and there is concern that illegal ORV use will continue and is likely to increase over time resulting in resource damage. The State of Michigan has not developed an effective program to manage this problem.

---

**2) CORRECTIVE ACTION BY COMPANY** – Based on the Root Cause Analysis, the following action has been planned/taken to correct the problem. Please include expected completion date.

DNR proposes to show, within one year, a wide array of efforts addressing ORV and road and bridge maintenance issues to include user education, enforcement, and remediation. Protocols are in place and staff are implementing them based on Work Instructions 3.1, 3.2 and 3.3. A BMP electronic database and form will be developed. Resource damage reports will be compiled, prioritized and corrective actions determined. Corrective actions will vary in intensity and activity depending on the degree, extent and level of damage. These data and concerns related to legal and illegal ORV use of state lands will be communicated to the ORV Advisory Board and the Forest Management Advisory Committee (DNR stakeholder boards).

---

**3) PREVENTIVE ACTION BY COMPANY** – Based on the Root Cause Analysis, the following action has been planned/taken to correct the problem. Please include expected completion date.

By January 30, 2006 the DNR will create a task force that will be charged with defining a Department-wide strategy for addressing illegal ORV use. The strategy will be defined by June 30, 2006, and it will address three fronts including user education, enforcement, and maintenance/restoration. DNR will demonstrate additional progress by the time of the first annual surveillance audit.

## Section C: Corrective Action Requests (CARs)

### AUDITOR REVIEW OF COMPANY'S PLAN:

Additional information provided in the Root Cause Analysis regarding an increase in the budget for the Law Enforcement Division (LED) provides assurance that the DNR is already making significant efforts to remedy this problem. The proposed corrective and preventive actions involve the development and implementation of an environmental management system (EMS) approach that includes assessment, remediation, and management review at multiple levels, including reviews by resource managers and by policy-makers. Implementation will be assessed during Surveillance Audit scheduled for the fall of 2006.

STATUS: OPEN AUDITOR/DATE: Michael Ferrucci 11.16.05

### AUDITOR REVIEW OF COMPANY'S COMPLETED ACTION:

STATUS: \_\_\_\_\_ AUDITOR/DATE: \_\_\_\_\_

**STATUS LEGEND:** **OPEN** = CA Plan Accepted **CLOSED** = CA implemented, verified & accepted **REJECTED** = C/A Plan or Implementation rejected

## Section C: Corrective Action Requests (CARs)

Company/Location: <u>MI DNR</u> Auditor: <u>Mike Ferrucci</u> Location of Finding: <u>Marquette OSC</u> Discussed with: <u>Dennis Nezich, others</u>	Date: <u>9-30-05</u> FRS # <u>5Y031</u> CAR Number: <u>MF-2005-06</u> Previous CAR Number/Date: <u>NA</u> Nonconformance Type (underline): Major <b>Minor</b>
---	--

**AUDITOR FINDING:** Standard Number and Clause: 2005-2009 SFIS 10.2.1, 12.2.1, 12.2.1 and 12.5.1

Description: 10.2.1 Michigan DNR has been involved in some of the listed logger education efforts, but has had limited involvement with SFI Implementation Committee. No evidence was provided that the Michigan DNR supported the SIC in either the establishment of criteria or the identification of delivery mechanisms for wood producer's training courses.

12.1.1: To date, Michigan DNR has had Minimal involvement on SFI Implementation Committee. However, ample evidence exists for involvement by Michigan DNR with the full range of organizations listed in the Performance Measure

12.2.1: Michigan DNR has implemented numerous public outreach, education, and involvement initiatives, but not in conjunction with the SFI Implementation Committee.

12.5.1: Michigan DNR has had limited involvement with SFI Implementation Committee, and no evidence was provided that the Michigan DNR supported the SIC in its efforts to address concerns about inconsistent practices.

**IF NECESSARY, PLEASE ATTACH A SEPARATE REPORT ADDRESSING THE FOLLOWING THREE ITEMS:**

**1) ROOT CAUSE ANALYSIS BY COMPANY**—Include potential causes & assurance problem does not exist in other areas.

The primary root cause is that the Michigan DNR is not yet certified under the SFI standard. The following past involvement occurred: FMFM Division Assistant Chief Bernie Hubbard attended the April 2004 and November 2004 Statewide Implementation Committee (SIC) meetings. Bernie Hubbard and Dennis Nezich (FMFM Forest Certification Specialist) attended the April 2005 SIC meeting. Forest Pest Specialist Robert Heyd provided Upper Peninsula SFE training in forest pest management and control of exotics. FMFM Unit Managers and staff attended and assisted in SFE logger training courses delivered by the MSU Extension Service.

---

**2) CORRECTIVE ACTION BY COMPANY** – Based on the Root Cause Analysis, the following action has been planned/taken to correct the problem. Please include expected completion date.

Dennis Nezich, FMFM Division Forest Certification Specialist, is the Department's representative that will attend SIC and SIC subcommittee meetings, and is the Department's point person for addressing inconsistent practices reported to the SFI statewide committee on their toll free line.

---

**3) PREVENTIVE ACTION BY COMPANY** – Based on the Root Cause Analysis, the following action has been planned/taken to correct the problem. Please include expected completion date.

Michigan DNR will actively participate in SIC meetings and SIC subcommittee meetings following SFI certification.

Section C: Corrective Action Requests (CARs)

**AUDITOR REVIEW OF COMPANY'S PLAN:**

The proposed actions are appropriate. Implementation of will be assessed during Surveillance Audits over the next year.

STATUS: OPEN AUDITOR/DATE: Michael Ferrucci 11.16.05

**AUDITOR REVIEW OF COMPANY'S COMPLETED ACTION:**

\_\_\_\_\_  
\_\_\_\_\_

STATUS: \_\_\_\_\_ AUDITOR/DATE: \_\_\_\_\_

**STATUS LEGEND:** **OPEN** = CA Plan Accepted **CLOSED** = CA implemented, verified & accepted **REJECTED** = C/A Plan or Implementation rejected





## **Section D**

### **Agreement(s) to Not Disclose and to Not Consult**



## **Section E**

### **Attendees for the Opening and Closing Meetings**

#### **Individuals Participating Throughout the Field Audit (Includes Opening and Closing Meetings)**

Dennis Nezich, Forest Certification Specialist, FMFM  
Larry Pedersen, Forest Planning & Operations Unit Mgr.-Lansing  
Penney Melchoir, Acting Assistant Chief, Wildlife Division (week two)  
Mike Donovan, Wildlife Biologist, Wildlife Division-Lansing (week one)  
Craig Howard, BioForest (consultant to DNR)  
Bill Rockwell, The Plum Line (consultant to DNR)

#### **Opening Meeting, Monday, September 19, Lansing Office**

Mindy Koch, Resource Management Deputy, Lansing  
Lynne Boyd, Chief-FMFM  
David Freed, Chief-OLAF and Chair, DNR Statewide Council  
Kelley Smith, Chief-Fisheries  
Jim Ekdahl, U.P. Field Deputy  
Jim Dexter, Lake Mich. Basin Coordinator, Fisheries-MDNR  
Steve DeBrabander, Recreation Section, FMFM-Lansing  
Scott Heather, Resource Protection Section, FMFM-Lansing  
Joseph Taylor, Program Services Section Mgr., FMFM-Lansing  
Jason Stephens, Silviculturist, FMFM-Lansing  
Ronald Murray, Forest Health, Inventory and Monitoring Unit Mgr., FMFM-Lansing  
Roger Mech, Forest Health, Inventory and Monitoring Unit, FMFM-Lansing  
Cara Boucher, Section Supervisor, FMFM-Lansing  
Penney Melchoir, Wildlife Division-Lansing  
David Price, FMFM-Lansing  
Jim Ferris, FMFM-Marquette  
Kim Herman, FMFM-Marquette  
Debra Huff, FMFM-Lansing  
Kerry Fitzpatrick, Wildlife-Lansing  
Alan Marble, Law Enforcement Division-Lansing  
Harold Herta, Parks and Recreation Division-Lansing

### **Closing Meeting Friday, September 30, Marquette OSC**

Mindy Koch, Resource Management Deputy, Lansing  
Lynne Boyd, Chief-FMFM  
David Freed, Chief-OLAF and Chair, DNR Statewide Council  
Bill Moritz, Chief, Wildlife Lansing  
Mike Paluda, UP Field Coordinator, FMFM  
Ron Murray, Unit Mgr., FHM Lansing  
Martin Nelson, Baraga Unit Mgr., FMFM  
Jim Ferris, TMS, FMFM, Marquette  
Kim Herman, Forest Certification, FMFM, Marquette  
Don Mankee, Forester, Baraga FMU, FMFM  
David Price, FMFM Cert. Planner, Lansing  
John Hamel, Inventory & Planning, FMFM, Marquette  
Jeff Stampfly, FMFM, Shingleton  
Bill Brondyke, FMFM, Gwinn FMU Mgr.  
Richard Stevenson, FMFM, Newberry OSC  
Bob Burnham, FMFM, Manistique  
Penney Melchoir, Acting Asst. Chief, Wildlife, Lansing  
Deb Begalle, WUP Supervisor, FMFM  
Cara Boucher, FRM Section Leader, FMFM, Lansing  
Joseph J. Taylor, FMFM Program Services Section Mgr.  
Les Homan, FMFM, Newberry FMU Mgr.



## **Section F: SFI Audit Summary**

The SFI Program of the Michigan DNR has achieved conformance with the SFI Standard®, 2005-2009 Edition, according to the NSF-ISR SFIS Certification Audit process.

The Michigan DNR manages 3.9 million acres of State Forest land throughout the northern two-thirds of Michigan, using an interdisciplinary approach to integrate the harvesting of forest products, the provision of wildlife habitat, the protection of special sites, and the provision of extensive recreational opportunities. A variety of forest products are produced, including timber, pulpwood, firewood, cabin logs, poles, and other specialty products.

The NSF-ISR audit was performed on September 19-30, 2005, by an audit team including Mike Ferrucci (Lead Auditor), Dr. Robert Hrubes, Dr. David Capen, and Jodi Kaiser. The audit team fulfilled the qualification criteria of the Sustainable Forestry Initiative® Audit Procedures and Qualifications (SFI APQ).

The objective of the audit was to assess conformance of Michigan DNR state forest management to the requirements of the Sustainable Forestry Initiative® Standard, 2005-2009 Edition (SFIS). The scope of the audit was land management on 3.9 million acres of Michigan State Forests and the related sustainable forestry activities covered by the SFIS. Field inspections focused on active forest management since 2003. In addition, SFI obligations to promote sustainable forestry practices, to seek legal compliance, and to incorporate continual improvement systems were within the scope of the audit.

All of the Performance Measures within SFIS Objective 8 (involving procurement of wood) were outside of the scope of the Michigan DNR SFI program and were excluded from the scope of the SFI Certification Audit. No indicators were modified from the standard set in the other SFIS Objectives (1-7 and 9-13).

### **SFIS Audit Process**

NSF-ISR initiated the SFI audit process with a readiness review to confirm the scope of the audit, to review the SFI Indicators and the evidence to be used to assess conformance, to verify that the Michigan DNR was prepared to proceed to the SFIS Certification Audit, and to prepare a detailed audit plan. The four-person audit team then conducted the audit of conformance to the SFI Standard. Annual follow-up surveillance audits are tentatively scheduled to commence in the first quarter of 2006.

The actual NSF-ISR certification audit was governed by a detailed audit plan designed to enable the audit team to determine conformance with the applicable SFIS requirements.

## Section F: Audit Summary

The plan included detailed provisions for the assembly and review of audit evidence consisting of documents, interviews, and on-site inspections of ongoing or completed forest practices. The possible findings of the audit included Full Conformance, Major Non-conformance, Minor Non-conformance, Opportunities for Improvement, and Practices that exceeded the Basic Requirements of the SFIS.

### **Overview of Audit Findings**

Michigan DNR's SFI Program was found to be in conformance with the SFIS Standard. There were six isolated lapses in implementation, termed "Minor Non-conformances," that are described herein:

1: Performance Measure 5.1: "Program Managers shall manage the impact of harvesting on visual quality." In some cases, visual management techniques were not implemented as prescribed.

2: Indicator 5.3.3: "Green-up" requirement (adjacency issue). On one harvest, adjacent blocks were clear cut before trees were at least 3 years old or 5 feet tall.

3: PM 1.1 Indicators 1a, 3, 4, and 5 involve the forest inventory and management planning. In some cases, differences between inventory and prescriptions (data coding errors) have affected or could affect implementation of sustainable forest management practices.

4: Indicator 3.1 requires a program to implement BMPs during all phases of management activities. Michigan DNR has developed a system of internal checks against BMP requirements. The system is not yet mature, in that suggested repairs are not yet all implemented. This system will be subject to re-audit when it matures sufficiently to assure continuing conformance.

5: Indicator 12.3.4 requires providing recreation opportunities for the public consistent with forest management objectives. The Michigan DNR provides an extensive array of recreation opportunities, and natural resources are generally well-protected. In some cases, illegal ORV use is causing damage that may be compromising environmental protections.

6: Indicators 10.2.1, 12.2.1, 12.2.1, and 12.5.1 require involvement by the Michigan DNR in SFI Implementation Committee activities. Thus far, such involvement has been limited.

Michigan DNR has developed plans to address all these issues. Progress in implementing these corrective action plans will be reviewed in subsequent surveillance audits.

NSF-ISR also identified the following areas where forestry practices on Michigan DNR's lands exceed the basic requirements of the SFI Standard:

- Sustainable harvest levels are conservative, and can clearly be sustained;
- No exotic species are planted;

## Section F: Audit Summary

- Michigan DNR programs in forest health and protection are exemplary examples of Integrated Pest Management;
- Protection of rare, threatened, or endangered species is a major focus throughout the program;
- Biodiversity protections are robust and well-designed;
- Clearcut size is far lower than the 120-acre maximum average;
- Utilization and marketing of forest products is a clear program strength relative to the SFI Standard;
- Education and training of DNR Personnel is superb; and
- Public recreation opportunities are high-quality, diverse, and widely available.

Fourteen opportunities for improvement were also identified. These findings do not indicate a current deficiency, but serve to alert Michigan DNR to areas that could be strengthened or which could merit future attention:

- There is an opportunity to improve the training in and effective use of the Kotar habitat classification system by field foresters in making silvicultural decisions.
- There is an opportunity to improve understanding of current age-class structure in northern hardwood stands, allowing field foresters to more carefully adjust prescriptions.
- There is an opportunity to improve the level of detail of Operations Inventory (OI).
- There is an opportunity to improve protection of regeneration.
- There is an opportunity to improve implementation of strategic planning, including long-term and large-scale factors.
- Decisions regarding the time of year for harvest are not always made explicit.
- There is an opportunity to better understand implications of logging impacts on soils in mechanically-harvested northern-hardwood stands, and for greater attention to minimizing skid trails on some sites.
- There is an opportunity to improve the compilation of the BMP Non-Conformance Reporting at the district and Lansing levels.
- There is an opportunity to improve the process for developing recommendations for habitat management in the compartment review process.
- There is an opportunity to improve the timely appointment of Regional Biodiversity Conservation Planning teams to facilitate progress on designating a network of areas managed to conserve old-growth forests and unique communities.
- There is an opportunity to improve training for land managers in the FMFM and Wildlife divisions in identifying invasive plants, vectors for translocating such plants, and methods for control.
- There is an opportunity to improve staffing for prescribed burning for species such as red pine and to restore some semblance of the landscape disturbances historically attributed to wildfires.
- BMP monitoring at the state level has not recently been updated or implemented.
- Improved mechanisms for consultations with tribes at the FMU and State-wide levels should be considered.

### **Relevance of Forestry Certification**

Third-party certification provides assurance that forests are being managed under the principles of sustainable forestry, which are described in the Sustainable Forestry Initiative Standard as:

#### **1. Sustainable Forestry**

To practice sustainable forestry to meet the needs of the present without compromising the ability of future generations to meet their own needs by practicing a land stewardship ethic that integrates reforestation and the managing, growing, nurturing, and harvesting of trees for useful products with the conservation of soil, air and water quality, biological diversity, wildlife and aquatic habitat, recreation, and aesthetics.

#### **2. Responsible Practices**

To use and to promote among other forest landowners sustainable forestry practices that are both scientifically credible and economically, environmentally, and socially responsible.

#### **3. Reforestation and Productive Capacity**

To provide for regeneration after harvest and maintain the productive capacity of the forestland base.

#### **4. Forest Health and Productivity**

To protect forests from uncharacteristic and economically or environmentally undesirable wildfire, pests, diseases, and other damaging agents and thus maintain and improve long-term forest health and productivity.

#### **5. Long-Term Forest and Soil Productivity**

To protect and maintain long-term forest and soil productivity.

#### **6. Protection of Water Resources**

To protect water bodies and riparian zones.

#### **7. Protection of Special Sites and Biological Diversity**

To manage forests and lands of special significance (biologically, geologically, historically or culturally important) in a manner that takes into account their unique qualities and to promote a diversity of wildlife habitats, forest types, and ecological or natural community types.

#### **8. Legal Compliance**

To comply with applicable federal, provincial, state, and local forestry and related environmental laws, statutes, and regulations.

#### **9. Continual Improvement**

To continually improve the practice of forest management and also to monitor, measure and report performance in achieving the commitment to sustainable forestry.

*Source: Sustainable Forestry Initiative® (SFI) Standard, 2005–2009 Edition*